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GEN GALLOIS PROPOSES FRANCO-BRITISH 'THIRD NUCLEAR POLE'

Paris LIBERATION in French 19 Oct 83 p 23

[Text] Interview. General Gallois: "A European Nuclear Pole Can Be Formed" General Gallois, one of the fathers of the French military nuclear forces and a strategic problems expert, explains to LIBERATION that a Franco-British substitute for the American "umbrella" can be contemplated.

LIBERATION: Jacques Chirac describes the usefulness of a European defense. Does the "Euromissiles Battle" encourage this development?

General Pierre Gallois: Jacques Chirac seems to take up Ronald Reagan's zero option argument when he speaks of "dismantling" the Soviet SS20's. But we must remember that well before the 1979 NATO agreement known as "double-track" (we deploy, but at the same time we negotiate) the NATO general staff had recognized the need to modernize theater forces, particularly bombers, which it believed had become too vulnerable to the anti-air weapons deployed by the Soviets.

So the intention was to install new weapons well before Carter proposed the Pershings and cruise missiles. And the West was quite wrong in presenting these new Euromissiles as a reply to the SS20's alone, which is what Jacques Chirac seems to be doing again. Dismantling of the SS20's is quite unrealistic, moreover, and would not be sufficient, since there is already a whole panoply of missiles which hold the entire NATO classical forces under an unstoppable threat. As a result, for as long as the Western leaders, from Reagan to Chirac, insist on balancing Euromissiles against the SS20's, they will be in error and will be holding NATO's classical forces in great danger.

LIBERATION: Can closer cooperation between West Germany and France eventually trigger the birth of a European defense?

P.G.: The objective of this armaments cooperation is anti-tank weapons and helicopters. Hence, in my opinion, it is of much more concern to the secondary theaters of operation outside Europe than to meeting the Soviet threat. Anti-tank weapons and helicopters will not stop the SS20's, 21's, and 23's from falling on our heads. For the French and Germans to agree on joint

manufacture of weapons they can export is all right, but this will not contribute to the defense of Europe.

LIBERATION: Jacques Chirac knows that. So what message was he trying to send to the Germans, who have no access to nuclear weapons?

P.G.: It would be possible, between France and Great Britain, to set up a third nuclear pole in the world, a European pole. West Germany must of course keep to the side, because Soviet Russia would never let her join. This prospect thus involves the risk of pushing Germany to the East: in effect it is being indefinitely deprived of means to secure its safety; it is aware that the enormous panoply of increasingly precise weapons targeted at easy destruction of all its classical forces.... So Chirac perhaps had the idea of letting the Germans know, without committing himself, that there would be a possibility of accords between France and Germany allowing it to participate in nuclear decisions. What I understood was that he has in the back of his mind the thought of preventing Germany from drifting east.

LIBERATION: Could the French nuclear umbrella, or the Franco-British nuclear umbrella, guarantee European safety?

P.G.: If the French and English programs develop as foreseen, in the years 1992-1995 we will proceed from the possibility of remote destruction of some two hundred objectives, French and British combined, to the capability of destroying 2000, which is considerable. We would go from the anti-city strategy, which is a "last spasm" strategy to a far more subtle strategy, known as anti-forces. Although we might just make people believe that we ourselves will die standing up rather than lying down, it is doubtful that we would be believed if we said we'd do it to the benefit of a third party.

As soon as a country like France has one day--in 1992--a far fuller arsenal which could paralyze the Soviet military apparatus with more precise weapons without, initially at least, attacking its cities, France can decide to cause such a paralysis without thereby justifying the massacre of French civilian populations. So we can consider that there would be a substitute for the American guarantee, backed by France and (what is more) by Great Britain, who would have a still larger arsenal.

12434

CSO: 3519/70

CATALAN DEPUTY FOR FULL RANGE OF LEGAL ANTI-ETA ACTION

Barcelona AVUI in Catalan 2 Nov 83 p 11

[Article by Josep M. Trias de Bes, deputy of the Catalan Minority]

[Text] Minister Barrionuevo last week informed the commission of justice and interior of the Congress of Deputies and made some statements which in other times would have been thought startling. He said that "ETA has always been bad. Without ETA, the democratic transition would have gone faster. ETA murdered 25 persons during the Franco period, and 500 under democracy." Carrillo said that violence under given circumstances may be justified. Barrionuevo insisted that ETA's terrorism has always been bad.

I don't wish to get involved in arguments on violence. I only want to express some reflections on the struggle against terrorism.

The minister's statements, much applauded by Popular Alliance, were made the day after the murder of Army Captain Martin Barrios. The atmosphere was tense and all kinds of rumors were circulating in Madrid. With increasing frequency, police were being arrested in France under strange circumstances.

The next day a big demonstration against terrorism was held in Madrid, a demonstration which I attended and which was really impressive as regards attendance, order and silence.

All these facts caused one to reflect.

The same organizers and followers at the demonstration raised the same query. And after the demonstration, what?

It is clear that a feeling of helplessness, of depression, of weariness and fatigue pervaded the demonstration, although the minister insisted as a result of a socialist contribution in the sense, that he was not fatigued, depressed or pessimistic. Very well, what shall we do? What must we all do?

It is clear, I think, that the problem is complicated, is not easy to solve, and that the measures which are required are both of a political as well as of a technical police nature.

The leader of the majority group of the opposition, Fraga, met with the prime minister and came out of the meeting satisfied. It seems they talked of terrorism. The citizen, in spite of everything wonders, "And now, what will they do?"

Now it seems that the solution does not consist of a few measures on autonomy, as the UDC and the PSOE wished to do in the previous legislature. I believe it will continue despite deepening autonomy and its consolidation. Then again, effective action by the police is needed more than ever. We doubt very much if this could be done with the police in its present state. The Ministry of the Interior seems like a pressure cooker about to burst. The latest police actions in France are more embarrassing than glorious and it is clear that this way we will not get anywhere.

The executive has all the legal instruments to act; if he asks more of Parliament, Parliament is ready to grant it to him, always within a respect for freedoms. If there is a need to give a budget to the secret services, let us give it to them; if there is a need to renew government officials, let us renew them; if there is a need to rediscover the Civil Guard, let us rediscover it; but let us take effective measures. Espionage, counter-espionage, secret proceedings in France, infiltrations. Everything we wish, but well done. Without scandals. If Mr Barrionuevo personally assumes the antiterrorist struggle, let him do what he wishes with respect to the law, but let him do it well. The measures approved at the Council of Ministers are still not exactly known. Will they come to the B&E or are they only political voluntarism?

Action from the French Government is necessary. Our relations have improved, they say, and the cooperation of both police departments too, but we do not see the results. For the time being, the Spanish police who were arrested are awaiting trial. France cannot continue this policy and this would have to be an obsession of our rulers. We hope that the French attitude will not be the same as the one presented by the European communities.

If the [terror] is one of the endemic and basic problems that have been raised in all Spain, ETA terrorism is, too. In good measure, our stability and democratic stabilization depend on solving it. In whose interest is the destabilization of our country? Clearly not in the Basque people's nor in any elector's. Will we find out one day? We are all against ETA, we Catalan nationalists, too; but will we some day see the end of the drama?

Josep M. Trias de Bes
Deputy of the Catalan Minority

12448
CSO: 3546/88

SURVEY OF WOMEN INVOLVED IN TERRORIST ACTIVITY

Istanbul HURRIYET in Turkish 2 Nov 83 pp 17,20

[Article by Ozkan Altintas "We Rank Second in the World for Women Criminals; passages enclosed in slantlines printed in boldface]

[Text] While 12 September saved the nation from terrorism, the number of female terrorists caught among the militants put us in the position of second in the world for women criminals.

In the declarations made by the police, the women caught with firearms spouting death in their hands, participating in holdups, were referred to by names such as: /"Leyla the Bomber", "Nalan the Scorpion", "The Meatball Girl", "The Octopus", "The Black Mammy", "The Girl with the Beret"./ When organizations were captured one by one, as a result of the 12 September operation, the real names of the owners of such aliases also emerged. And while prosecutions, trials and arrests went on, international statistics on women criminals, supplied by Interpol, showed that Turkish women ranked second for the crime of murder. It was also seen that America came first in that category.

In accordance with article 146/1 of the TCK [Turkish Criminal Law], the death penalty has been requested for 13 out of the 141 female militants who are being tried at present, with requests for up to 20 years' hard labor, in various terrorist organization cases, by the Istanbul Martial Law Tribunals. So far, only /Suheyra Kaya/ has been sentenced to death in the THKPC/The People's Revolutionary Vanguard [The Turkish People's Liberation Party Front] case.

According to the official charges compiled by the Attorney General's Office, it is pointed out that the women first took part in the action in a screening capacity and that they were assigned lookout duties called "energizing.". However, it became apparent that those female militants, in order to prove themselves, participated later in bloody attacks with death spouting guns in their hands, like their male comrades. According to eyewitness reports on the coups that took place, female militants were given names corresponding to the manner in which they participated in the action.

According to the charges /Filliz Ogretmen/ a member of the Cayan Sympathizers Organization, with the code name of /"Filliz the Octopus"/ and MISP members [Marxist Leninist Armed Propaganda Unit] /Ayse Hulya Ozzumrut/ and /Nilufer Kucuktay/ are foremost among the female militants who killed mercilessly.

FRANCOPHONE PARTY CHIEFS ON COMMUNITY ISSUES

Brussels LE SOIR in French 15 Nov 83 p 2

[Interview with chairmen of the four principal French-speaking political parties--PRL [Liberal Reform Party], PSC [Social Christian Party], FDF [Democratic Front of French-Speaking Residents of Brussels], and PS [Socialist Party]--with Marlene Claeyss, Saturnin Gomez, Pierre Lefevre, and Jacques van Solinge; date and place not specified]

[Text] At one time or another and with varying degrees of emphasis, the principal French-speaking political parties have expressed a desire to hold talks among themselves before confronting Flemish community representatives in intercommunal negotiations. Now that we have entered a new phase in this endlessly recurring debate, we first asked the chairmen of these parties if they thought such concerted preliminary talks were useful at the present time.

Louis Michel (PRL): The present government has given priority to economic and social problems. It has approved formation of the center for Governmental Reform Studies, a forum where different political parties can meet and hold discussions prior to any institutional change. At the same time, this center should be an ideal place for the French-speaking parties to confer with one another. And I hope that those who are preparing to adopt a "vacant chair" policy will reconsider their decision, because any absence of opposition parties weakens the French community when confronted with the Flemish community's unanimity.

Gerard Deprez (PSC): Any governmental reform process implies and will always imply an intercommunal dialogue. In my opinion, however, this center is a pre-dialogue step in the process. It does not bring the parties together as parties. It is not the place for political negotiation. Having said this, I should like to point out that the French-speaking parties already have a common policy on Brussels inasmuch as the French-speaking residents of Brussels have adopted a platform which has been "endorsed" by the French-speaking parties of the governmental majority and of the opposition as well.

Lucien Outers (FDF): There have already been 14 commissions of this type, so this one is the 15th. Excuse me, therefore, for being somewhat skeptical.

Be that as it may, there is definitely cohesiveness on the Flemish side, at least when they confront us. And this is because they have met and conferred beforehand. Hence, in my view, it is strategically important for us to reach agreement on a certain number of principles before the general discussion.

Guy Spitaels (PS): The majority wanted this center as a means of putting in commission form Van den Brande's bill for regionalization of the nationalized sectors, hoping that in this way the Flemings would not press the point. We fully realize that our absence does weaken the French-speaking parties' position inasmuch as those taking part in the deliberations constitute a minority within the French-speaking region. But we are not negative and we do intend to consider ourselves as being primarily among the French-speaking parties. We are not reassured actually by the diagnosis made by our counterparts in the majority who claim that our communal problems are not urgent and vital, that the steel industry crisis will be resolved, that there is a consensus to the effect that nationalized sectors must remain nationalized, and that at present, according to [Vice Prime Minister] Nothomb, there are only "minor conflicting interests between the North and the South." Consequently we have to put our heads together. To be specific, I maintain that we must first reach agreement on the following issues: nationalized sectors (which are now de facto regionalized and in a strange fashion), scientific policy, infrastructure construction projects, communalization of education, government funding problems, energy, and lastly Brussels.

Lucien Outers: The time for studies is definitely past. We must now act. It is time first of all to introduce the bill on the status of Brussels, and then see if there is possible general agreement with the Flemings on Brussels. And if there is not, we must organize ourselves.

Gerard Deprez: A center without some of the political parties does not make much sense. That is one reason why I hope that all parties will participate. If Guy Spitaels had simply said to us: "Let us agree on certain points," we would no doubt have accepted his proposal. But he has issued an ultimatum on the procedure to be followed, plus a second ultimatum on the substantive issues.

Guy Spitaels: We presented no ultimatum. Yet after all that has happened, we cannot logically be blamed for considering it absolutely essential for the French-speaking parties to meet and confer. If Nothomb can express a viewpoint so diametrically opposed to ours, then I can personally say that I will not attend the negotiations unless all ambiguities are removed.

Lucien Outers: The problem is essentially one of strategy not of self-pride. It strikes me that we are wasting our time if we do not form a monolithic bloc when there is such a bloc opposite us.

Gerard Deprez: We were prepared, and indeed still are, to entrust chairmanship of the center, on the French-speaking side, to a socialist.

[Question] Don't you consider it equally necessary to restore order within your respective political organizations where, on the Brussels question, for example, we hear views that are often highly divergent emanating from men of the same party? Under such circumstances, how can we possibly know what a party's position really is?

Guy Spitaels: I want to be very clear on this point. The Socialist Party's position on Brussels was unanimously adopted at our most recent party congress held in Wavre. In a nutshell: we shall not abandon the 800,000 French-speaking residents of Brussels. As for the isolated and independent statements made by party members, these must be taken for what they are, just that and nothing more.

Gerard Deprez: Our party is not a monolith. Each member has the right to express himself and voice his opinions whether it be about the future of the Brussels region or about any other issue.

Louis Michel: To begin with, I want to say that the PRL did not repudiate Minister [of Brussels Affairs] Hatry. We felt his approach offered some interesting possibilities. So much so that these are to be studied closely by party authorities in the very near future. The main problem we face today is determining what type of region Brussels will become. Personally, I believe that it must not be a region identical with the other two regions, not only because the socioeconomic reality of the Brussels region is different but also because it must preserve its specific character as the capital.

[Question] Is the question of what type of regionalization to apply to Brussels still being pondered in the PDF?

Jacques Outers: The PDF hopes that the Constitution will finally be enforced, in other words that Brussels will become a full-fledged region with its own democratically elected assembly and its executive responsible to that assembly. And this must be done without delay, because to establish a dialogue between regions and/or communities, first an entity has to exist. Yet this existence has thus far been denied the Brussels region.

[Question] None of you seem to rule out true consultation among the French-speaking parties. But what keeps you from taking the initiative in this regard?

Louis Michel: I have made some very clear-cut statements highly favoring this consultation. Some persons have pretended not to understand me. But I am well aware that this consultation is hampered by the fact that we do not approach it in the same manner. We continue to harbor our mutual suspicions. Yet consultation is not negotiation. The Center for Governmental Reform Studies is there to enable every one to identify his position with regard to the issues, and also to furnish the basic data with which to answer numerous questions. Do the [linguistic] communities of this country still want to live together? If they do, then what are the resources and powers that could be left to the central government? Must we merge the agencies and bodies of the French Community and the Walloon Region? What detailed plan must be provided for

establishment of the third region? The Center for Governmental Reform Studies is, as I see it, a round table. And it can become the ideal locale for tempered negotiation. If the opposition takes part in the center's work and deliberations, then there will automatically be continuous consultation among us.

Lucien Outers: It must be emphasized that federalism means equality among the various components irrespective of their size. Any negotiations organized within the framework of the Belgian state is "emasculated" at the outset by the weight of the Flemish majority. Conventional methods lead only to disaster and naught.

Guy Spitaels: I am afraid that we are not close to one another. The FDF developed a nonconventional scenario. We did not follow it. The future will tell us who was wrong. But we cannot support the concept of tempered negotiation. Life is not economically, socially, and financially tempered for French-speaking Belgians. Nothing is happening as planned by the French-speaking parties after the 26 July agreement on nationalized sectors. Faced with such crucial problems as the accelerated decline of Wallonia and the gradual stifling of Brussels, the negotiations cannot be tempered. It is essential that no one serve as a doormat for Flemings.

[Question] Be that as it may, would you now be prepared to set a date for a meeting of the four of you?

Lucien Outers: Everything that is public is not always beneficial to negotiation. Nevertheless, I do hope that we can meet one another in a more regularized manner.

Guy Spitaels: I am prepared to set a date. But for what actual purpose? I do not want to polemicize, but if the Social Christian Party's view of the government and state is as defined at its Mouscron party congress, I really don't see what we could tell each other.

Gerard Deprez: I am prepared to meet with my colleagues. But I ask the representatives of the opposition not to boycott the Center for Governmental Reform Studies. That center is where the absolutely necessary evaluation can be made. It is also where we will be able to draw up a plan for reorganizing the organs of government, a reorganization Guy Spitaels should not overlook. The PS is mistaken in imposing preconditions, because the center is not a negotiating forum. Having said this, I do want to compliment the leading French-speaking party for the way it is conducting itself within the opposition by carefully refraining from any negativism.

Louis Michel: I see absolutely no objection to holding discussions with my colleagues.

[Question] What are your conclusions?

Lucien Outers: The time of last resort has come. We must use every available means so long as there is still time. We have to act at once.

Guy Spitaels: The government itself has confirmed our diagnosis by meeting separately with Flemish and Walloon steel industry union leaders. I will readily meet with my colleagues provided the executive bodies of their parties give them a mandate, not to form a new "club" or align themselves with the views of the PS, but a mandate to reach agreement on the issues I listed earlier.

Gerard Deprez: I note that the PS is asking for a thorough reform of the state. Facing the prospect of new community-to-community negotiations, it is evident that solidarity among the French-speaking parties is necessary. But consultation cannot be viewed as meaning that we would complete a series of successive steps under pressure from one and the same party.

Louis Michel: I am distrustful of an attitude which consists in having us believe that the economic and social problems of the Walloon and Brussels regions will be automatically resolved by more regionalization and autonomy. This would conceal the real causes of our failures. The advantage of the Center for Governmental Reform Study is precisely that it permits everyone to take stock of their individual situation in the event of increased regionalization, and also reexamine the division of powers among the different levels of power.

8041

CSO: 3619/15

'SYNTHESE REPUBLICAINE' FOUNDER ON CENTER-LEFT MOVEMENT

Paris LE JOURNAL DU PARLEMENT in French 1-15 Nov 83 p 4

[Interview with Pierre Braque]

[Text] Born in 1941, Pierre Braque was the co-founder, with Robert Fabre, of the MRC [Left Radical Movement] of which he was to become national secretary in charge particularly of relations with the PS [Socialist Party]. Since then he has been office director of the mediator but for all of that Braque has not forgotten the heady time of the union of the left and the common program. As the head of the 'Synthese Republicaine' Club [Republican Synthesis], which he founded a year ago, he works towards the establishment of a genuine center left that Social-Democracy, which is the mother of a worthwhile state, and not a straitjacket, may actually take form.

[Question] Pierre Braque, why Republican Synthesis?

[Answer] Because for a long time I have been thinking that beyond the too simplistic manicheism which appears almost exclusively to have fed the present political debate, there has always existed the great idea of social-democracy.

I therefore created the 'Synthese Republicaine' with some friends to try to demonstrate that although it was in disrepute and too often used by people who were not concerned with it, the Social-Democracy of today is not an obsolete idea, to the contrary, adapted to our country it would be quite coherent, and could represent a future alternative for it.

Our club is interesting because it includes above all people of good will, mainly of my generation, inspired by a spirit of dialogue rejecting all sectarianism. Men and women often of different feeling, but not coming to it in the name of that feeling, but all of them, whether businessmen, academics, doctors, lawyers, journalists or officials, and not forgetting rural people, are of influence in their professions and therefore contributing an extremely enriching experience to our debate.

By working together, without any "a priori," we are trying to come up with a certain amount of concrete proposals, which we hope to put forward rather quickly. But before making any public statement we wanted to reflect and work seriously.

[Question] What is your ultimate ambition?

[Answer] On the idea level, why not envisage the 'Synthese Republicaine' some day becoming for the center-left what CERES [Center for Studies, Research, and Education] was for the Socialist Party?

[So you too want to establish a "great center-left"?

[Answer] Yes, but on condition that the center-left be credible. An end therefore to the blurred image which up to now has too often cloaked that word! People finally have to know what the center-left represents, and that depends not only on people, but especially on clear and exact ideas. One of these force ideas is precisely Social-Democracy, for which I believe a majority of the French aspire, because for them it means the possibility of living in a society where the state would be the guarantor of the common interest, while at the same time permitting everyone to engage in business, to create, and to express himself freely as an individual. Social-Democracy, finally, is the guarantor state, not the straitjacket state, and non-adversarial relationship of the state to the individual based on mutual respect.

But the establishment of the center-left will not come about through ideas alone. There must also be the means to achieve it, and one of them is the modification of the election procedure which I have been urging for a long time. Bipolarization has actually led to a break within the radical family, and since then many of its members have found themselves outside its two structures: the MRG and the radical Valois party [Formerly the Radical Socialist Party]. The system of majority representation, totally compelling in my view, could only aggravate this break by permitting various radicals to express themselves only in terms of alliance with friendly organizations, and no longer in their own names. The return to proportional representation--and just what proportion will have to be studied--would already be a means for them to give substance to their ideas and therefore legislate them in the parliament. I believe, moreover, that if proportional representation proved to be sufficient to create a trend toward reunification of the radicals, many Social-Democrats, and genuine progressive liberals, also obviously Social-Democrats, would be able to find themselves in a new structure. That would make it possible to reach a new balance in French political life, to moderate its debate, and to eliminate any risk of extreme radicalization, always unfortunate for a country. Proportional representation would also make it possible to free other organizations, which could then express themselves individually.

[Question] The Communist Party, for example?

[Answer] Why not? This could be a solution to the problem of certain differences between the PC [Communist Party] and the PS [Socialist Party].

[Question] More concretely, and since you are speaking of proposals, are you working on the basis of precise plans?

Answer Quite obviously. For example, we have just finished a report on social protection, but we are interested also in anything which affects the economic life of our country, and the problem of jobs, of unemployment, of reduction of work time, etc....which derive from them, as well as in the great problems of society.

One of the main concerns of the 'Synthese Republicaine' is to do some thinking which could come to grips directly with our era. We are in a time of crisis and on the brink of a third millennium which is going to witness the development, in a totally different way, of the tertiary sector upon which the economy of our country rests. At the moment when one will increasingly see the machine replacing man, one must envisage not only a great technological change in the context of which France must, for example, be competitive in fields such as robotics and information systems, but also a transformation of society, and therefore politics. One must become aware of the fact that all the old arrangements are henceforth obsolete. They have caused the failure of experiments such as those of advanced liberalism, in which the burdens very quickly took precedence over the new idea of progressivism, and one now perceives that the generous theses of the left are not sufficient in time of crisis.

Henceforth our country needs realism and organization. The moment has therefore arrived when the left will have to choose between Social-Democracy and the obsolete old ideas of a break with capitalism and class struggle, which they have held too long. The right will have to abandon that Bonapartist fantasy of resort to a providential man who no longer suits responsible Frenchmen, in order itself to turn toward Social Democracy.

Question What do you think of the remarks of Raymond Barre when he rejects any idea of cooperation?

Answer I believe that to be credible in politics, one must not be too forgetful of the past. In 1977, when the opposition of that time carried all the parliamentary elections, the ex-President of the Republic raised the possibility, in the event of a victory of the left in the legislative elections of 1978, of cooperation between himself and a new majority. And, to the best of my memory, the prime minister at that time did not come out against this eventuality.

Question Will the center-left be present when the next European elections fall due?

Answer It is still a little early to answer that question. In any case, we want to be able to push forward our ideas during that campaign, because we would like to see sent to the European Parliament deputies genuinely convinced of the usefulness and future of Europe.

If we are not present, we would hope that personalities like Simone Veil for the liberal element and Jacques Delors or Pierre Mauroy for the PS do not forget their personal European convictions. We really do not want the next European consultation to be interpreted for political developments by an election in which internal policy is at stake, which would be to the detriment of the building of Europe with regard to our partners, and would represent a real diversion of political finality.

CHEVENEMENT ON PSF FACTIONAL POLICIES, PCF, PROTECTIONISM

Paris INTERVENTION in French Aug-Oct 83 pp 95-100

[Interview with Jean-Pierre Chevenement by Herve Hamon and Patrick Rotman; date and place not specified]

[Text] Question: Has not the image of the Socialist Party [PS] been reduced today to formula sparring by professional, out-of-date former activists?

Answer: Let us avoid exaggerated conclusions: in the polls, the PS image has suffered less than that of other political organizations. Having said that, it is true that for the past 2 years the party has tended to locate itself on the same plane as the government. For example, when Jacques Delors planned to lower the savings bank interest rate by a point (which would permit disinflation), the members of my federation distributed pamphlets justifying the government position, and we were caught on the wrong foot by the shrill cries raised in the PS, then by the arbitration of the prime minister. And even more, 2 months later, when the rate was finally lowered as part of the second austerity plan. When the party operates in this way, it is not playing its role, and is open to criticism.

Question: Then, what should it be doing?

Answer: The function it can perform is one of orientation, of thinking ahead in the medium term. At the Valence congress, I explained that there are times when all must know how to march in step, it being accepted that the government and the party must go forward at the same pace, in relation to a same plan, in short, with a common software program. However, their time scales are not the same. The party should produce non-esoteric thinking, a plan, for example reflection, from a higher viewpoint, about the role, techniques, and orientations of the Ninth Plan, or consideration of the long-term evolution of our defense system.

Question: Isn't this party coherence wishful thinking on the eve of the October congress? When the "people on the left," those who do not carry a card in their pocket but who know they are affected by organization decisions, see Pierre Joxe and Michel Rocard signing the same resolution, how can they not conclude that the PS is par excellence a forum of false debates?

Answer: Motion number one had the support of many distinguished comrades...

Question: ...Is a common ground enough?

Answer: ...Yet there is a great temptation to proceed right away to the result while limiting the debate in the presence of the members.

Question: Government solidarity requires!

Answer: No, that was also true when the PS was in the opposition. For example, even at Pau there was agreement on the same resolution by Jean Poperen and Michel Rocard, Pierre Mauroy and Pierre Joxe, and Christian Goux and Jacques Delors (then emerging). Summit agreements are easier. In my view, it is healthier for everyone to operate under his true colors. It would have been disastrous if there had been only a single text at Bourg-en-Bresse. The Socialist Center for Studies, Research and Education (CERES)--as well as Alain Richard's friends--render a service to the party and democracy by preserving an area of debate, by showing that our interpretation of the Fifth Republic could not be the same as the one that the right has offered during 23 years. I am a defender of these institutions. However, they harbor a tendency toward conformity. They must be applied with a simultaneous upward effort; let us say frankly that they do not promote character. A further reason to point this out.

Question: Whether by character or design, when everyone does not play the game, the game is no longer interesting.

Answer: That is not my view. That kind of reasoning is the source of all the failures. On the contrary, for the party to continue to exist it is necessary that some people speak out. It is important to maintain a certain concept of party. To some degree it is its dignity that is at stake, and naturally the debate itself must be marked by this dignity. The main platform document is itself a synthesis combining a number of elements, of inspirations. For example, it develops the idea that a strong-as-possible growth is desirable, and thus an import policy is necessary. However, in the next line it cites a Jacques Delors phrase condemning "muscle exercising in your room"--that is, the preceding idea... On the other hand, the contributions of Alain Richard and CERES present contrasting views: one defends austerity, and the other seeks to ease the restraints in the international environment. That is clear. Just as it is clear that the antagonism is not total: each is appealing to the movement from below, to the psychological resources, for the breaking down of the barriers of a frozen society. Perhaps Alain Richard would do better to comprehend that from his own viewpoint rather than have me provide him with mine. It is neither abnormal nor surprising that some try to be on the defensive from the start, but life, movement, dynamism are elsewhere. As for the PS, today I am more afraid of conformism than debate.

Question: Before 10 May 1981, one of the favorite formulations of CERES was that the party, with the Left in power, would serve to coordinate the "movement from the top" and the "movement from below." Yet one has the impression that the movements from the top are rather Brownian, and that movement from below is minimal, if not nonexistent.

Answer: The first explanation for this is the context of the victory itself. We came to power, not supported by a strong popular surge, but carried more by the undertow than the wave. The breakup of the union of the Left in 1977, really broke the momentum. Basically, the 1981 result was both the product of a nostalgia for the rather strong union aimed at creating within the Left a new relationship of forces, and a gamble by a number of people who believed that they no longer had anything to fear from the Left, and therefore did not

hesitate to settle their own accounts within the family. Instead of benefiting from a powerful popular impulse as in 1974, we won in an atmosphere of stagnation, an area of flat calm. At the beginning of 1981, we were maintaining at arm's length a strategy that could hardly proceed much further. If we had lost in May 1981, Francois Mitterrand and CERES would have been swept out in a few weeks--that had almost happened following the legislative elections in 1978: what the Metz congress barely averted would have been inevitable at the Valence congress.

Question: Saved by the bell?

Answer: If you wish. The enterprise was now being supported only by the energy of a few. The communists were attacking us, not even to mention the Right; and as for what is called the Second Left, it could with some semblance of being correct describe our strategy as absurd, suicidal, and defying the most elementary logic: how to create the union with a PC that did not want anything to do with it: as the proverb goes, "it takes two to make a marriage." The Metz policy was too original and even paradoxical to be maintained for very long. However, it had one merit: even if it was based on a very elaborated political rationale, it was right. And that is why we won...

Question: Has the PS, since 1981, tried to combat social asthenia? Hasn't it, on the contrary, accepted a kind of soothing?

Answer: What you are describing is my second explanation of the situation. A degree of mistrust has developed, sometimes justified but more often imprudence resulting from caution, in regard to local organizing. For example, in reducing youth unemployment there is not enough emphasis, in my opinion, on decentralized initiative. Does not decentralization operate too much to the benefit of the individual local elected officials, who will naturally tend to establish structures of privilege? What can be done to genuinely involve the people in the matter? The operation of democracy is still inadequate.

Question: One would think it was Edmond Maire talking!

Answer: I agree with him on the role of a "movement from below," of a taking charge by the collective. However, I also believe in the necessity for stimulus from above. The problem is to make these two movements converge. There you have the bases for the endeavor: it is possible, when your ideas are clear.

Question: From strategic, the alliance with the communists has become strictly tactical, governed by the electoral arithmetic. What will happen in the future if the PC, not satisfied with being part of the whole, becomes a rump party?

Answer: I leave to you the responsibility for your conclusions, however it is true that the hope for a dialectic involvement of the parties that signed the joint program has faded. I sometimes have the impression that the Communist Party is adjusting to a situation in which it hardly has much effect on government policies. There is certainly a relationship of forces. However, where is the ability to propose options for the long term? I find it difficult to hear, and am in fact astonished to see Philippe Herzog coming out in favor of supporting the franc within the European Monetary System, when that is the surest way of depleting our exchange reserves. Also, I do not understand why

Georges Marchais absolutely insists that the French force de frappe be included in the Geneva negotiations: if, indeed, there exists in France the vision of an original socialism, it would be extremely inconsistent to want to sacrifice the independence of our deterrence...

However, I do not believe that the Communist Party could be satisfied with merely a pressure group role... The current situation is not healthy.

Question: And what will happen if the alliance proves to be ineffective--even counterproductive--in preserving a political and social foundation?

Answer: That is a major and real question, which brings us to the PS and its influence and resourcefulness: is it capable of generating within itself the elements of a new dynamic between now and 1986? How can it remain, or become again, the majority party? That said, it is totally illusory to think that a split in the Left would enable us to broaden our base.

Question: Whatever is said from the rostrum of the congress, it seems evident that the Socialists are in power to manage the crisis. What factors might give them a little mobility, some latitude?

Answer: I recognize three. First, success in the management area: I hope that the objectives of the Delors plan can be achieved without too many repercussions elsewhere. If they are not, or if the repercussions are too great, then we will have to change the approach. We must succeed, the method is not very important, and success will have cumulative effects. Further, and contributing to this, we must get the citizens more involved (reference what I said earlier about youth unemployment), break down the barriers of this country huddling in its corners, promote the development of relations between trade unionists and company management, etc. Finally, at the risk of being considered a nationalist, I believe that France and the French must depend more on themselves and less on the unlikely good will of Mr Reagan or Mr Kohl. The French must regain the pride in being French!

Question: Are you, in this respect, the Debre of the Left?

Answer: Michel Debre says some profound and right things: about the nation, the state, civil liberty, the economic struggle, and the necessary renewal of the generations. The mediocracy has tried to shunt him aside, and has to some degree succeeded. That is too bad for France. Yet, there cannot be a Debre of the Left. Certainly you can have on the Left--although it is not very frequent--a concept of a republican state, however, one cannot be on the Left without having confidence in, without depending on, the energy of democracy. The true Jacobins were also self-management advocates. And Michel Debre does not appear to me to be very enthused over self-management...

Question: Basically, your motivating attitude is nationalistic...

Answer: I have to laugh: one can be nationalistic in the United States, Japan, Germany, and Great Britain. It is really only in France that one cannot defend France's interest without being cut in the costume of a reactionary living in the past: to be in fashion, it is better to be working for others. Defending the national interest is regarded as behaving like an eccentric...

Yet the nation is the only possible framework for democracy. The republic was born to the cry of "Long live the nation!"

Cosmopolitanism is the ideology of the multinationals and the privileged. Internationalism implies vigorous nations. Jaures put it strongly, "A little internationalism tends to separate from the homeland. A lot brings one back." I would add that in the tradition of Michelet the love of France and a world sense have always been one. French socialism will establish itself within the tradition of the republic or it will not exist.

Question: Which men were the standard bearers of this tradition?

Answer: To go back only to the Third Republic, I would mention among others Gambetta, Jules Ferry and Clemenceau.

The line of founders of radical republicanism naturally includes the big names of socialism: Jaures and Blum.

And in our era, certainly De Gaulle and also Mendes-France. Then I would add Francois Mitterrand, who, whatever happens, will symbolize the long march of the newly reunited Left toward power and, I hope, the birth of a modern republic, the heir of the radical republic, and opening the road to socialism.

Question: The famous "silence of the intellectuals," which echoed round the summer beaches and swimming pools, seems to indicate that the professional thinkers have Pantheon sickness.

Answer: I believe that Julio Cortazar had the last word in this debate. Often, our intelligentsia is concerned only with itself and is not interested in the people's cause.

Question: Do you accuse the scholars of betrayal?

Answer: Today, the political figures, from the people's point of view, are often ahead of the intellectuals...

Question: Is it the role of the intellectuals to compete with the politicians?

Answer: Each must follow his trade.

However, the kind of bridge that the traditional French intellectual established between his knowledge or his specific art and his sense of the universal, that brushwork that is so unique to our country's genius, well, that brushwork is singularly lacking on the palette of France in 1983. And the small number of those who would like to speak remain silent because they have the impression that no one is really asking them to do so.

Question: But where have they gone, these intellectuals of the Left?

Answer: Let us not exaggerate: what Regis Debray calls the high intelligentsia is rather on the Right today. Remember the attitude of George Sand, Flaubert, and even Zola toward the Commune... However, Zola was finally won over in the Dreyfus affair...

Question: After the liberation they looked to Moscow, not Versailles...

Answer: That is true: It was a phenomenon related to communist hegemony, the Popular Front in Budapest.

Question: Exactly, why hasn't the PS, which has become hegemonic, appropriated this image?

Answer: Because of the ideological crisis at the end of the 1970's, which went beyond France's borders but in France assumed a particular quality because of the internal political context (mainly, the union of the Left). Dominique Lecourt wrote some very apt comments on this subject.*

Beginning in 1975, it was urgent to rebuild the American shield. The satanization of Marxism in respect to the USSR, and of rationalism in politics generally, was a Russian operation.

Question: A big international plot?

Answer: Let's not be facetious, please. Plots never explain anything. After Santiago in Chile and the fall of Saigon, America needed to restore its image. Read Kissinger's memoirs. It was a broadly recognized political necessity. Zbigniew Brzezinski, whom I met at the time, when he was still only a professor at New York University, was very aware that it was necessary to reidentify America with human rights, with the "Free World," as we are saying again today. Watergate and Carter's election are better understood in the light of this need to get back to sources. There is no need to resort to the plot theory to describe a vital necessity. And naturally, the French Right got into step. The crisis completely changed the ideology of the dominant class. Anti-Sovietism replaced opposition to American hegemony and, as always in such cases, there are intellectuals willing to serve as frontmen.

Question: Is the "Second Left" a journalistic creation or does it reflect a cultural and political reality?

Answer: I accept the concept. This Second Left, as it has been called since the appearance of your book, derives from specific inheritances and roots. Leaving aside a few previous minor branches, the tottering of a party of the Christian world is a recent and notable phenomenon, yet these cleavages are bound to be superseded. We must create a program that transcends them. Need I remind that CERES has historically created bridges between the First and Second Lefts: very early in the years after 1958, we worked with militants such as Descamps, Detraz, Troglie, and Kaspar. And it was we who introduced the concept of selfmanagement into the Socialist Party.

Question: This "transcendence" doesn't seem very evident currently. When it comes to growth, the state, and protectionism, the speeches are contradictory.

Answer: There are real and false debates. Growth? We do not worship a growth rate, we simply say that it is better for it to be as high as possible in order to solve the problems that are emerging, and hence that we should loosen

* "Dissidence or Revolution," Maspero, 1978

some of the unjustifiable external constraints. As for reduction of the work week, and work sharing, they will result from increase in productivity and not from a series of measures that put the cart before the horse. There is no panacea: we can neither reduce wages nor increase the burdens on enterprises. Yet, the most fanatical supporters of work sharing are also the most opposed to protectionism, and I do not see how, in a world open to international competition, we can succeed in reducing the work week much more than the others, barring some miraculous progress in productivity in a single country, without introducing any protection... However, I am open to discussion...

Question: Your questioners respond that the issue arises at the European level.

Answer: The European countries are "under influence."

Frankly, I am irritated by this kind of forward leap that assumes the problem to have been resolved because it has been transferred to the European level. That is not happening; Europe! It is in crisis: it is sliding! The social, industrial and technological Europe does not exist! I am the first to regret this. Yet we are cultivating illusion. We must be realistic: the urgent things are to win the economic war, to modernize the industrial apparatus without losing the course of our plan. The electronic revolution and biotechnology are the keys to a society in which we will be able to work less in order to personally grow more. However, for that we must first work. We must mobilize! Between the Second Left and ourselves there is confusion about horizons. What we are proposing is basically right for the next 3 or 4 years. However, what the French Democratic Confederation of Labor (CFDT) is talking about is right for 15 or 20 years.

Question: By juggling with time periods in this way, don't you, in effect, avert all the arguments? Is it enough to grant a hearing to the contradictor in a decade? For example, is the difference of opinion on protectionism reducible?

Answer: I see in the confusion of horizons the source of many of the misunderstandings. The socialist dialogue must simultaneously avoid utopia and not lose the thread of its program. It must reconcile a historical aspiration with the demands of shortterm reality. The debate on protectionism is a stultifying, unproductive debate, and the United States, and there is Europe, which is the soft underbelly of world trade. Europe's incapability to establish itself as a third great power on the EastWest axis; that is basically the only serious topic of controversy. Honestly, I do not see why Europe should not increase the common external tariff on high technology products...

Question: Is not good use of the state authority a serious disagreement?

Answer: No! It is a concocted issue. It is the debate that the liberal Right wants to impose on us. The only country without a state authority is Lebanon, and you can see what that produces. Only a state of law can guarantee freedoms.

You need both a legitimate state and a free people. Let us not start fighting among ourselves on the ground that the Right has chosen for attacking us: for

or against the state. If we want to win in 1986, let us fight to make our state more democratic and to block the return of the privileged. Let us remove the masks of Reagan-type neoliberalism and their crew; let us rediscover the meaning of a republican state!

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CS0: 3519/101

COT ON PSF DEBATE OF GOVERNMENT, CERES ALTERNATIVE POLICY

Paris INTERVENTION in French Aug-Oct 83 pp 101-102

[Text] Is another policy possible? No. Should we distinguish ourselves from those who support today's policy defined by the president and implemented by the government? No. Once we loyally agree on these two statements, the essential has been stated.

Remember the situation at the beginning of the year. There was considerable tension, both in the government and the party, regarding the policy to follow. Delors introduced a plan in which no one really believed. Chevenement and Christian Goux strongly voiced their scepticism. Mauroy wondered about his future. The Elysee kept quiet. Some of us then called for a debate, asked basic questions that have since then been repeated, and wished for the congress to make a clear statement.

Today, the prerequisites for debate appear to be met. There are two main opposing notions. On the one hand, the Socialist Center for Studies, Research, and Education (CERES), though it may have moderated its formulation, persists and confirms. The intervention by Jean-Pierre Chevenement at Pre-Saint-Gervais, strongly affirming the need for an alternative policy, whose features he later outlined in L'ENJEU, raised the issue. On the other hand, notion I, the result of the contribution of tendency A, has now been clarified by Lionel Jospin's speech at Lourmarin and by the president of the republic's television interview.

At the beginning of the summer, we had promptly expressed our desire to avoid false debates and to seek in the executive committee a meeting of minds with the supporters of the policy option laid out in the contribution supported by the majority of the tendency C people. The text proposed to us by the first secretary appeared to us as a suitable basis for agreement and which we would hardly have to modify. When you compare it to the Metz notion, you can see how far we have come. The test of power forces one to talk straight.

Three main details drew our attention. First, the initial text could imply that an imports policy would restore our trade balance. Without being a free trader by religion, I have to make the commonsense observation that we must export in order to pay for our raw materials and energy. Hence, any protectionist policy would produce more drawbacks in the way of retaliation measures than it would produce advantages. An imports policy, desirable in some specific cases, could only marginally contribute. That is what we explained.

Second, the passage on social welfare only addressed the issue of financing, ignoring the galloping increase in expenditures by the system, subsequently

emphasized by Francois Mitterrand in his televised speech. We have said, and say again, that this constitutes a major challenge for our society, for our government. A supplementary paragraph adds a reminder of this.

Third, the proposed text contained a passage on "vertical structures," no doubt a thrust at Michel Rocard. We wanted to make this specific. Let us talk about vertical structures, but without taking a quotation from its context. Let us think together about how to avoid letting our party fall into this falling. The clarifying change that we proposed was not accepted. The issue was not decisive.

Finally, it was agreed, among the composers of motion I (former Mitterrand, Rocard and Mauroy tendencies), to respect the proportions established at the Valence congress by the federal leaderships.

The debate in the party will cover the merits of the current policy and the possibilities of an alternative policy, presented in the CERES motion. That suits us, because we have clearly chosen our side.

Should we go even further and get into embroidery? I think that this is not the moment to involve ourselves in such activity. Public opinion would not have understood that the tendencies, in agreement on the essential, that is, France's policy, were in disagreement over nuances that would not have deceived anyone, in fact over what seat to take. For we are not just discussing among ourselves. France is watching us, and for good reason.

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CSO: 3519/101

FRENCH BISHOPS' LOURDES AGREEMENT ON NUCLEAR DETERRENCE

Bishops Approve Nuclear Deterrence

Paris LE MONDE in French 10 Nov 83 pp 1, 10

[Article by Alain Woodrow]

[Text] Lourdes--Francois Mitterrand must have breathed a sigh of relief when he read the document approved by the French bishops on nuclear deterrence ("Gagner la paix") [Winning the Peace], which was published in Lourdes on Tuesday, 8 November. The president of the republic had recently said in substance to the editor of TEMOIGNAGE CHRETIEN: "It's not so much what the Church will say about private schools that I am afraid of but rather what the bishops could say about nuclear weapons." And the French Embassy at the Holy See discreetly talked to French bishops visiting Rome to learn if the bishops were about to take a public position on the matter.

The statement was not made--until the end of the plenary assembly of French bishops at Lourdes. In a sudden burst of energy provoked by the dynamics of the assembly and the imminent deployment of Pershing missiles in Europe, the bishops decided to make public a statement that had been hastily drafted on the basis of a study prepared by Monsignor Jacques Julien, bishop of Beauvais; Father Gerard Defois, former secretary general of the conference of bishops; and Monsignor Jacques Fihey, vicar general of the French armed forces.

Essentially, this statement opposes war, which has become an act of madness. However, it also opposes nuclear blackmail by an aggressor. The bishops say: "That is why nations can legitimately prepare their defenses to deter the aggressors, even through the use of a counter nuclear threat." Furthermore, evangelical non-violence cannot be demanded of governments, because they have a duty to defend their citizens.

Having set down these principles, the bishops continue at some length, using language whose terms and tone are not particularly what we expect in a church document but which makes reading it all the more interesting, particularly in view of the stakes involved in this major question. Although the statement by the French bishops is not as bold as the statement made by the American bishops and is less technical than the statement by the German bishops, it does not ignore any of the problems raised by nuclear deterrence.

Aware of the ethical fragility of their justification of nuclear deterrence, the French bishops emphasize the risks involved in the use of force, even when it is legitimate, and in what they call the "deadly spiral" of the arms race. Their rather embarrassed justification of deterrence rests on the nature--to some extent diabolical--of the possible aggressor. Never before have the French bishops so harshly condemned "the dominating and aggressive character of Marxist-Leninist ideology." As Monsignor Jacques Julien used to say, even more crudely: "We are dancing on the edge of the abyss. This is an extremely distressing situation, for we have a choice between annihilation and slavery, between Finlandization and the Gulag Archipelago."

However, in the last analysis, the arguments used by the bishops come close to casuistry. They did well to explain that "a threat to use force is not the same thing as the use of force." However, the distinction is a fine one, and they admit themselves that if our defenses are to appear credible, "It is necessary for us to make clear that we are determined to take action if deterrence fails."

They add: "Now the moral legitimacy of taking action in this way is more than uncertain." And that is why, with great reluctance, they attach to this choice a list of conditions which make nuclear deterrence "morally acceptable." These conditions include: acting in self-defense, avoiding over reliance on armaments, taking every precaution to avoid making "mistakes," and following a constructive policy in favor of peace.

It is on this last point that the statement by the French bishops is undoubtedly the most innovative. In their statement they study in detail and in two places the non-violent alternative, which they call "an exit, a narrow gate, like that leading to the Kingdom of Heaven, but which can be followed." While emphasizing that non-violent pacifism is for individual human beings and not for governments, because "government leaders have the duty to protect the common good of society, of which they are in charge," the authors of the statement do not treat those opposed to violence lightly. They even ask the question: "Aren't they right, over the long term?" And they add: "Hasn't the time come, without, of course, going so far as renouncing the use of arms in self-defense, to examine carefully the role and effectiveness of non-violent techniques?"

Finally, in the last part of the statement the bishops, who are clearly more at ease in the spiritual domain, raise the following basic question: going beyond the means used for existence, what are the reasons for living? Simultaneously rejecting the practical materialism of the West and the theoretical materialism of the East, the authors of the statement ask themselves what value there is in the defense of a civilization which has been cut off from its spiritual foundations.

Regarding the origins of the statement and its adoption at the last minute by the assembly of bishops at Lourdes, one could be astonished that the Social Committee of the conference of bishops, which is presided over by Monsignor Jacques Menager and which supervises the "Justice and Peace" sub-committee, did not take part in the discussions. Was it because the Social Committee has a noticeably less "pro-government" and more prophetic stance on this question?

The statement adopted by the French bishops--unanimously, with the exception of two of them--is an honest statement on the nuclear dilemma and an eloquent attempt to find a way out of it.

Excerpts from Bishops' Statement

Paris LE MONDE in French 10 Nov 83 p 10

[Text] Following are extracts from the long text approved on 8 November by the plenary assembly of French bishops meeting in Lourdes.

A Choice Between War and Slavery

The threat of a nuclear conflict is not an illusion. The suicidal character of such a conflict makes it improbable but not impossible. Experts doubt the possibility of controlling and limiting such a conflict once it begins. No one would win a nuclear war. It would be suicide for humanity: the two super powers have the means to wipe each other out seven times over.

No cause could justify the launching of such a conflict because this involves the survival of humanity. The same thing goes for the other forms of suicidal war of which less is said, even though preparations are being made for them: bacteriological and chemical warfare. However, by concentrating too much attention on nuclear war, there is a risk of minimizing the seriousness of modern "conventional" wars. And everyone knows that in the case of a direct clash between the two nuclear super powers, using conventional weapons, these armaments would risk being a detonator for the employment of tactical nuclear missiles.

It is true to say that no one wants war. Even less do the specialists in these matters, who are better informed on the risks involved. The "winner" (?) would find himself ruined, and the advantage of defeating an enemy who has been burned to a crisp is not very clear. However, certain countries fully intend to take advantage of war without paying the price for starting it. By simply using the threat of war they exercise a permanent form of blackmail over others.

However, how many formerly democratic governments are now forcibly kept in the embrace of the East. Constant pressure is exerted on the Western democracies to neutralize them and, if possible, make them move into the sphere of influence of Marxist-Leninist ideology. Convinced that they hold the secret of the total liberation of mankind and of the various nations, the Marxist-Leninist countries think they have the right to impose on everyone what they think is the greatest good.

This is not a matter of encouraging a manichean conception of the world: all the evil on one side and all the good on the other! The West is also sick. Materialism--whether it is theoretical, as in the East, or practical, as in the West--is a deadly disease for humanity, and the Marxist-Leninist countries have no monopoly on imperialism. At times they even follow the systems most opposed to them. However, it would be unjust to treat everyone in the same way and close our eyes to the domineering and aggressive character of marxist-Leninist ideology. In the

eyes of this ideology everything--even the hopes of the peoples for peace--must be used for the conquest of the world.

Under these circumstances wouldn't the simple condemnation of any war place the peace-loving peoples at the mercy of those who advocate an ideology of domination? In order to avoid war, the peace-loving peoples risk falling under other forms of violence and injustice: colonialism, alienation from their own countries, and the deprivation of their liberty and their identity. Carried to its logical conclusion, a policy of peace at any price leads a country into all kinds of surrenders. Unilateral disarmament could even provoke aggression by neighbors by encouraging the temptation to take advantage of easy prey.

The Non-Violent Alternative

The non-resistance of Christ and the spirit of pardon which he preached is the essence of what alone can save the earth from the corruption of violence. Non-violence remains a call to every man and even to every human community. However, can non-violence as such be applied to governments? The Church has always accepted the fact that the government has the right to repel violence by the use of force. Non-violence is a risk which individual persons can accept. Can governments which, by their very function, must defend the peace take on this risk?

In the world of violence and injustice in which we live government leaders have the duty of protecting the common good of the society of which they are in charge. The common good consists of peace but also, in an inseparable way, justice, solidarity, and liberty. To achieve these goals, governments must have the means of discouraging an aggressor as much as possible.

The government has a monopoly on the use of force throughout its territory. It is better to demonstrate that it has this force than to have to use it. However, in case of need the government can make use of force. Such justified and considered use of force still serves peace and the common good, because it deters the citizens of the country from taking the law into their own hands. In fact, we know what injustices and what disorders take place when a government of laws gives way to the law of the jungle.

In international relations, unfortunately, no institution is yet strong and effective enough to impose a government of laws. Therefore, we cannot deny to each country the right of legitimate self-defense against both external threats and domestic perils.

Nuclear Deterrence

We will not go into the technical debates of the specialists on the credibility of our defenses. In these very technical problems, which have ethical repercussions, we should avoid two extremes:

- (1) The avoidance of ethical judgment, as if one should leave matters which are so weighty in terms of human significance to technical logic alone;
- (2) Summary judgments of the deductive kind which would treat the technical components of the question in too facile a way.

The central question before us is therefore the following, one: in the present geopolitical context does a country which faces a mortal threat to its existence, its liberty, or its identity have the moral right to ward off this basic threat by means of an effective counter threat, even if it is nuclear in nature?

Up to now, while emphasizing the limited character of this countermeasure and the enormous risk it involves, the Catholic Church has not believed that it has the duty of denouncing it.

This kind of logic, of course, is a logic of the worst case. It cannot hide its essential weakness. Certainly, it is to avoid having to go to war that we wish to prove that we are capable of making war. It is also to serve peace by discouraging an aggressor by forcing him to show the beginnings of wisdom by demonstrating the appropriate amount of fear. A threat to use force is not the same thing as the actual use of force. This is the foundation of deterrence, and this is often forgotten in attributing to the threat to use force the same moral significance as the actual use of force.

However, we can immediately see the danger in the logic of deterrence. In order to leave the potential aggressor with no illusions about the credibility of our defenses, we must show that we are determined to take action if deterrence fails.

Now, the moral legitimacy of this action is more than problematical. This is all the more so since, in France, our system of deterrence, "from the weaker to the stronger," or the deterrence system of the poor, spares no details. In the absence of very diversified means of attack, it still rests on an anti-city strategy. This outlook has been clearly condemned, with no possibility of further argument, by the Vatican Council.

Faced with a choice between two almost unavoidable evils--surrender or counter threat--we have chosen the lesser of the two without pretending that we are turning it into something which is good!

It is clear that, in order to be morally acceptable, recourse to nuclear deterrence presupposes:

--that it involves solely self-defense;

--that we avoid excessive armaments; deterrence is achieved as soon as the threat which has been made makes aggression by a third party unreasonable;

--that all precautions are taken to avoid any "errors" or actions by an insane person, a terrorist, etc;

--that the country which assumes the risk of nuclear deterrence will pursue a constructive policy in favor of peace in other areas.

Building Peace

The Church in no way encourages extreme pacifism. It has never advocated unilateral disarmament, knowing very well that this may place a premium on violence

by an aggressive military, political, and ideological group. However, the Church recognizes the evangelical message in appeals to non-violence. This is a prophetic reminder of the destructive character of violence.

Disarmament: a Task we have in Common

At the same time that it recognizes this present need to have a means of armed defense, the Church constantly invites us to go beyond that.

These efforts toward disarmament are not incumbent solely on a few leaders and experts. All citizens are concerned, first as taxpayers and then as potential victims!

France, Are You Faithful to Your Baptismal Promises?

A people cannot live for very long with its eyes fixed on the radar screens watching over our territory. Nor can a people live on the basis of the statistical tables of its economists. All of that is important, but there remains the question of means. Beyond the means required for living is the question of the reasons for living, for the persons concerned, but also for the nations and for all of humanity. And this is a question of culture, that is, a spiritual question.

Toward an Ecumenical Document

Paris LE MONDE in French 10 Nov 83 p 10

[Article by Alain Faujas]

[Text] The Catholic Church is emerging from a long silence on the subject of nuclear weapons and deterrence. It has thought for a long time that there was no urgency in taking a position on the subject of a national striking force [force de frappe] which is generally accepted by public opinion and by the political parties. It has also been torn between contradictory desires: the Church which proclaims a message of love could not remain insensitive to the cry of the pacifists and the supporters of a non-violent approach to the issue of security. On the other hand the military threat and the ideological totalitarianism situated to the East of the Iron Curtain filled it with a certain amount of fear. The Catholic Church in France has just overcome that difficulty.

What does the Church say, speaking through Monsignor Jacques Julien, bishop of Beauvais, and Father Gerard Defois, former secretary general of the council of bishops? The Church states that the Soviet world is a threat and that it is proper to resist Soviet blackmail, because "in a world where men still act like ravening wolves toward other men, turning oneself into a lamb could simply provoke the wolf." In this way nuclear deterrence is legitimized, under certain conditions.

However, the bishops are not among those who gaily go off to war with flowers in their rifles. In their view, as in the case of their colleagues, the bishops of the Federal Republic of Germany, deterrence is a last resort in a desperate

situation. Associating themselves with Pope John Paul II, they don't believe that it is possible to remain for very long on the razor's edge. Atomic weapons are "still" morally acceptable, but we must hurry to listen to the prophetic message of the supporters of non-violence, to prepare a pathway for justice among the nations, and to lay the foundations for a universal dialogue.

On first examination the Catholic Church in France thus appears to be taking a forward position which distinguishes it from the other religious groups in France. On further examination, this is not the case at all. The Orthodox Christian and the Jewish communities prefer to remain silent on this delicate subject of the balance of terror. They consider that the separation between the temporal and spiritual areas should be total. Above all, they prefer to stay on the sidelines of an argument which would divide their membership. For they recall that in the case of the Greek Orthodox church the Nazi invaders were opposed by the clergy in the Peloponnesian Peninsula with rifles in their hands. In the case of the Jews they think that Israel must defend its existence by all available means.

The Protestants seem more tempted by the concept of non-violence. The Reformed Church of France, from the very beginning, has condemned the very principle underlying the French national striking force [force de frappe]. The French delegation to the assembly of the World Council of Churches which met in Vancouver in August 1963 asked pardon of the peoples of the countries of the Pacific Ocean area for the nuclear tests undertaken by France in Polynesia. It is true that this kind of attitude is easier to adopt for a minority church which has never been closely linked to the government authorities.

The fact remains that the Rev Jacques Maury, president of the Protestant Federation of France, has always refused to condemn the possession of nuclear weapons. He states: "Even so, we cannot send the atomic submarines to the shipbreaker's yard while this meeting is going on! We must first say what we are going to replace this striking force with."

Despite their very different sensitivities and points of departure, French Catholics and Protestants find themselves torn in the same way between prudence and open condemnation of nuclear weapons. Finally, they are in agreement on searching for a middle course. A few months from now they will try to speak of peace with one voice, addressing both public opinion as well as the chief of state, through a jointly-prepared statement.

French/American Viewpoints

Paris LE MONDE in French 10 Nov 83 p 1

[Text] The best way to achieve peace and disarmament is not a matter of unanimous agreement within the Catholic Church. Between statements made by one national council of bishops and another there are points at variance and even frank differences which are due in large part to the political, social, and historical factors that pertain to each country. This is proof that the Church is never free of temporal considerations.

No one would have imagined, a few years ago, that the French bishops could be less far "to the left" than their American counterparts.

Nevertheless, that is what has just happened. The document which was published on 8 November in Lourdes clearly represents a backward step, compared to the pastoral letter published on 3 May 1963 in the United States.

The bishops of the two countries are clearly in agreement on the major principles involved and the objectives which should be sought. However, they are not looking at the situation from the same point of view. The American hierarchy presented an idealistic view, while the French hierarchy sought to bear in mind the European point of view and to avoid making "hasty judgments." There was a prophetic attitude on the one side and an expression of realism on the other.

The prophetic vision led the American bishops to go into details and to prohibit several forms of activity. According to them, "in no circumstances" may atomic weapons be used.

The American hierarchy calls on the two super powers to halt "nuclear tests and the production and deployment of nuclear weapons," which in practice brings the American bishops to support the "freezing" of nuclear arsenals.

The conditions which the French bishops attach to deterrence are vaguer. Aware of the limited military capabilities of their country, they decline to enter into a discussion on a "first strike" and civilian objectives. In their view a country may legitimately deter potential aggressors, "even by means of a nuclear counter threat."

The realism displayed by the French bishops shows a certain awareness of the concerns of the state in the eyes of a dominant church. The situation is different in the United States. Although they are still in the minority, the Catholics of the United States no longer need to express a kind of "super patriotism" to gain acceptance as full-fledged citizens.

The difference between the two conferences of bishops further illustrates a difference between the two peoples. The Americans have a fear bordering on panic of nuclear missiles which might fall on their country. Consciously or unconsciously, they prefer non-atomic wars which take place in another country.

The Europeans are concerned about any kind of armed conflict, knowing that a conventional war in Europe could be as devastating as a nuclear conflict. Each of them has the pacifism that reflects its own fear--that is, reflecting its geographic situation and its perception of events.

The Church in each country can only reflect these feelings. In this circumstance we can see further evidence for the prudence of the West German bishops who certainly criticize the policy of deterrence supported by their government. However, they are no less careful to keep their distance from the pacifists.

Final note

Paris LE NOUVE in French 11 Nov 63 p 11

[Text] The document issued by the French Catholic bishops on the nuclear threat has been an agreeable surprise to some--especially among the military--for its

firmness. However, it has also occasioned much disappointment among the Catholic community. Adopted by a vote of 93 in favor, eight opposed, and two abstentions (and not unanimously with the exception of two votes, as we erroneously reported in *El Mundo* on 10 November) [see above], this statement is distinguished by an unaccustomed refusal to use circumlocutions to designate the enemy--Marxist-Leninist ideology--and to reflect the "alignment," so to speak, of the French bishops with official French Government positions in terms of nuclear defense.

In addition to the reactions which we publish below, among the first expressions of view which have reached us is the comment of Jean-Marie Muller, founder of the movement for a Non-Violent Alternative (ANAV). He said: "beyond the abundant literary precautions, the turns of phrase, and the various reservations, what is essential in the statement by the bishops is the view that nuclear deterrence is now declared morally acceptable. And all of the supporters of the arms race have not been disappointed."

For their part a group of Christians* in an "open letter to the bishops of France" state: "We are pained to the depths of our being to see the leaders of our Church tolerate the satanic and suicidal weapons of terror. With respect and confidence, we ask them to review their position and, resuming their role as prophets, to invite Christians to join in the non-violent resistance."

Finally, Monsignor Jacques Gaillot, bishop of Evreux, who does not hide his opposition to the text of the statement, which he did not vote for, calls the statement "too prudent, too reasonable, and not prophetic enough. It certainly will please many people, principally the military. However, as far as I am concerned, I would have preferred no statement at all."

*Alfred Bour, Jean-Pierre Lanvin, Rene Macaire, Arnaud de Mareuil, Nicole Lacoste, and Etienne Ruche.

DETAILS OF PASOK LEFT-CENTER INTERNAL CLEAVAGES

Athens AKROPOLIS TIS KYRIAKIS In Greek 16 Oct 83 pp 1,18

[Text] "The pot is bubbling within the PASOK. It has reached the exploding point." Reliable information says so, according to which: 2 groups of Mr. Papandreou's deputies are "ripe" for defection. At the same time "anti-leader" elements disrupt the party mechanisms of the PASOK throughout Greece. The resignation en masse yesterday of cadres from Mr. Papandreou's organizations in Karditsa and Sofades is significant.

With regard to the dissatisfied deputies, sources say that they belong to 2 "climates":

- . On the one hand the Leftists and
- . On the Other hand the "Centrists."

Those 2 categories have some common, basic points on which they agree. And those are the following:

1. The realization that under PASOK rule the significance of Parliament has been debased to an intolerable degree. And, consequently, the role of the parliamentarians. This constitutes a direct blow to democratic institutions.
2. The realization that today's leadership of the PASOK wants its deputies to be blindly, docilely and without a will of their own, mere tools. Their only "function" being to say "yes" to the draft bills and amendments of Mr. Koutsogiorgas.
3. The realization that they have earned the total contempt of the constituency - even that of the PASOK - which is aware of the Papandreou government's scandals in Parliament and demands: the active participation of the deputies in the expression of views and in decision making. And even, when necessary, their "going against" those decisions of the Papandreou government which prove that the PASOK of Mr. Papandreou has made false promises and deceived the people.
4. The realization that the PASOK is losing its strength

Rebellion in Parliament

More precisely, Mr. Papandreou fears that:

The first demonstration against leadership will take place in parliament during the discussion of the Agreement on the American Bases. It has been said, in fact, that at least three deputies do not intend to vote for the bases. And they will also probably submit a declaration of their independence.

Those deputies are Messrs.:

/Dimitris Vanoutsos. He represents Lesbos and supports the Socialist Combinations organized and activated by Stathis Panagoulis.

. Ilias Papailias. He represents Attica

. Anastasios Mantelis. He represents Cephalonia.

The "AKROPOLIS" does not exclude at all the possibility that the 3 deputies mentioned may attempt some sort of denial. But this, finally, changes nothing.

. Another category is constituted by those deputies (chiefly belonging to the center) who are constantly pushed aside by Mr. Papandreou and the Castri set. This is a large category./

Who Are Those Deputies

They are those deputies who are now definitely convinced that the leader of the PASOK uses them "without taking their opinion into account." And they are ready to "grab their hats and leave", if necessary they will go back home, "if until December this anomalous situation within the Movement does not change." Some of those deputies are:

.Yorgos Papadimitriou, who made terrible accusations (real slaps in the face about "econo-commissars" etc.) in writing and signed, against which Mr. Papandreou did not dare react.

.Anastasios Sekhiotis

.Nik. Athanasopoulos

.Stef. Tsaparas

.Sp. Rallis (from Corfou)

.Dim. Diamantidis (2nd Piraeus district)

.Ioannis Kefalidis (from Drama)

.Efst. Anthopoulos (from Serres)

This group believes that the PASOK is fast losing the support and confidence of the people and that Andreas "with his subjective perception in choosing his close government associates has drifted away from lucid advisers who have judgement, experience and political understanding, who could steer him toward sound and judicious decisions and choices."

Mr. Papandreou is trying to control this explosive situation within the parliamentary group, on the one hand through the Speaker of the House Mr. Yannis Alevras, and on the other hand through the director general (and former "director" of the K.O. [Parliamentary Group]) of his Political Bureau, Mr. Antonis Livanis.

More precisely, Mr. Alevras who is always correct and law abiding vis a vis Mr. Papandreou attempts, through the use of his personal prestige and the sympathies he has won, to establish a balance. And he plays an important, positive for the PASOK, role: he is the one who conveys to Mr. Papandreou the complaints, the gripes and the anger of the deputies.

The part of Mr. Livanis is a different one: on the one hand he plays a kind of policeman's role with regard to deputies and on the other hand he exerts pressures and threatens when necessary.

At this point, it must be added that many of the above mentioned deputies show some hesitation. That is, they fear that the frightful "mud-slinging" engineered by the higher hierarchy of the PASOK might be directed against them.

And, of course, such hesitations, such fears are human and understandable. Not all of them have the courage and endurance of Mr. Aris Bouloukos, who upon leaving the party warned Mr. Papandreou "not to dare throw any mud in his direction because he would react and defend himself very harshly." The result was that the premier put his tail between his legs.

The Trap

It is necessary to take this opportunity to mention a revelation made by Mr. Bouloukos, which is included in the interview he gave to the "AKROPOLIS TIS KYRIAKIS."

The revelation concerns the slate of deputies and mentions the following:

"Many deputies of the PASOK did not realize the tactical meaning of an innocent looking provision which they voted at the time together with the elimination of the cross [in marking ballots]. It is the provision of paragraph 5 of article 3 of that law. According to this, the final announcement of the slate of candidates is made by the party only 16 days before the elections. This means that only 2 weeks prior to elections will the candidates be sure of appearing on the slates and find out in what order each one of them will be included on the "list." Think, therefore, of what will happen. At least 2 months before elections, because it is then that the pre-election period begins essentially, hundreds of people will run around and wage a personal

campaign in their district, without knowing not only in what order they will appear on the "list" of the slate but even whether they will be included at all in it. And thus they will wake up one fine morning, 2 weeks before the elections and discover that either their name does not appear on the slate or that, even though it is included, it is in such a position that, objectively, it precludes their being elected.

The scheme, therefore, was and is to throw into the pre-election contest many important political figures and after they have played their part by bringing voters to the party through their personal weight, they will subsequently be neutralized, only 2 weeks before the elections when it is too late of course for any kind of turning back.

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OUSTED DEPUTY'S VIEWS ON ELECTORAL LAW, PASOK

Athens AKROPOLIS TIS KYRIAKIS in Greek 16 Oct 83 p 15

[Interview with Aristidis Bouloukos, Independent Deputy (Formerly of the PASOK) by "AKROPOLIS TIS KYRIAKIS": "How Andreas Set Trap for All 166 of His Deputies; date and place not specified]

[Text] "Only 2 weeks before elections will the candidates be sure of being included in the slates of their party and know in what order and consequently if they will have any chances of being elected. This means that, at least 2 months before the elections, when every pre-election campaign begins essentially, hundreds of people will be running around, having undertaken a personal campaign in their districts, without knowing whether they will be designated as candidates for parliament."

Thus speaks the independent deputy (formerly of the PASOK) Aristidis Bouloukos, revealing a whole "PASOK plot" which can be found in the law to eliminate the cross from ballots. A plot so skillfully contrived like an invisible spider web, in the "corner" of a paragraph of article 3 of that law, so that no one had paid any attention to it up to now and Mr. Bouloukos, through the "AKROPOLIS TIS KYRIAKIS", first brings it to light.

The complete text of the interview is as follows:

Question: Mr. Bouloukos, almost a year has gone by since your disagreement with the leader of the PASOK, which led to your dismissal and your subsequent reappearance as an independent deputy. Do you think that everything that took place since then justifies you?

Answer: I believe that my position was justified right from the start. I reacted then because I realized that the bill for eliminating the cross that indicates preference on ballots was not submitted to Parliament in order to improve the procedure and, generally speaking, the institution of elections but was created as another lever to pressure members of parliament, by a marginal clique within the party which appears to have finally managed to monopolize the Movement and the Government. It was the first overt and systematic attempt to impose de facto a regime of party oligarchy.

It was natural for me to react against such a state of affairs. My fight for Democracy and the rule of the people does not allow me to accept the muzzling and the supplanting of struggling PASOK deputies, deemed worthy by popular

conscience, nor the concentration of all the power into the hands of a "marginal party directorate." Therefore I can say that I was truly justified and not only from this standpoint but also by everything that took place since then, because today we all know that everything, the Government, the Parliament, the Administration, the Party and the People, is governed and administered by a circle of a few known people who surround the leader of the PASOK.

The...Innocent Provision

Question: You said you were the one to react against the law for eliminating the cross. Why did an overwhelming majority of PASOK deputies accept it then?

Answer: There were many who disagreed. Some, however, believed that things would improve in the course of events. And others that the leader of the PASOK would be finally persuaded to part from his "disastrous advisers." Others still (and those were perhaps the most numerous) thought that it was too early for rifts within the Movement. And, finally, some feared that organized mud-slinging against them might result. Besides do not forget that Mr. Papandreou placed the voting on this law in the light of party discipline and I believe that this was the first time that voting on a law was turned into a matter of party discipline for the deputies of the PASOK, which is a proof in itself of the disagreements and reactions which existed in our parliamentary group.

However, it is worth noting here that amid the confusion of those stormy sessions many deputies of the PASOK did not realize the true meaning of an apparently innocent provision, on which they voted at the same time as on the elimination of the cross.

I am talking about the provision of paragraph 5 of article 3 of that law. According to it, the final announcement of election slates by the party is made only 16 days before election day. This means that the candidates will know definitely whether they are included in the "list" and in what order, only 2 weeks before elections. Think, therefore, of what will happen. At least 2 months before the elections, because it is then that every pre-election period essentially begins, hundreds of people will be running around, waging a personal campaign in their district, without knowing not only in what order they will appear on the election "list" but not even if they will be included in it! And thus, they will wake up one fine morning, just 2 weeks prior to elections and discover that their name is not on the slate or that even though it is there, it appears in such a position that, objectively, it precludes their being elected.

The scheme, then, was and is to throw into the pre-election campaign many important political figures and after they have played their part, by bringing voters to the party through their own weight, to neutralize them only 2 weeks before elections when, of course, it is too late for any kind of turning back.

Anticonstitutional

Question: A very well known personality stated recently the view that despite the vote to eliminate the cross, the elections will proceed as before, that is with the cross to show preference. What are your views on that?

Answer: That is a very strong possibility. And this, according to reliable information I have, because the circle of the highest officials of our public life, who admit now that eliminating the cross is anticonstitutional, has become much wider and for whom this law constitutes a dangerous alteration of the principle of popular rule. The Constitution, by providing for this fundamental principle, ensures that deputies are elected directly by the people and not through political leadership, which may even be administering the party in an arbitrary manner and in defiance of the provisions of its Statute.

Question: Which did you think were the positive factors in the PASOK's governance of the nation during the past 2 years?

Answer: It is very difficult for me to point to significant positive factors. Believe me, this does not stem from a disposition for political opposition. But the negative factors are so numerous and so shocking that it is very difficult to isolate and point out positive steps. I believe, however, that there was some unobtrusive but constructive work done in the field of Social Securities. But even this it seems will drown now, once again, in the chaos which will result from the possible implementation of the National Health Scheme.

The Negative Aspects of PASOK

Question: And the most important negative factors?

Answer: Some of the most significant are: the adverse evolution of our economy. The debasing of Parliament and of the prestige of the parliamentary office. The appointment to important sectors of public life of so-called technocrats from abroad, who have no experience and have no relation to Greek reality and the problems of the people.

The doleful attempt to fill up Public Administration with party members. The sharp division of citizens into 2 categories, that is into favored elements of the party on the one hand and on the other hand into scapegoat adversaries. The party's monopolization of the mass media and particularly the party propaganda on television. The undermining of discipline and of the climate of unanimity in the Armed Forces. The total lack of sensitivity of the responsible deputies with regard to the daily denunciations of the opposition Press. The constant attempt to disorient the people by demagogic references to the past. The now boring mixture of revolutionary phraseology and petty bourgeois notions of the premier, who continues to address himself through slogans to the passions of the immature and not with arguments to the logic of the mature citizen. And finally the unpredictable and superficial foreign policy which has already led us to dangerous extremes of international isolation.

The Democratic Center

Question: Why do you believe that the foreign policy is erratic?

Answer: The PASOK, which emerged in the international relations of the nation as a peculiar political Janus, also managed the singular achievement of our government's being congratulated by its adversaries while it is criticized and distrusted by its allies. Instead of taking advantage of our participation

in the intergovernmental coalitions to which we belong as an added influence for solving our critical national problems, our participation in those coalitions was turned into a weakness because of the constant frictions with our allies and associates. Is this an erratic foreign policy or not?

Question: And one last question: how do you view the political future?

Answer: The forces of the democratic center that are widely scattered today, that may appear to be exhausted after their latest deplorable foray into barren ground, have now reached the point where they must coalesce into a pandemocratic union and constitute the fundamental forces which will bring the solutions for which the majority of our people is clamoring now. And this will happen, without doubt. Because not only the people want it but because they also need it. This is then what will determine the political future of the country.

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SOCIALIST MOVEMENT CONTACTS WITH KKE, EDA, OTHER LEFTISTS

Athens ENA in Greek 27 Oct 83 p 13

/Text/ The latest intra-party movement to the left of PASOK was made known more widely after the member of the Central Committee, Nikos Kargopoulos, was dropped as a member of the movement because of his known anti-introductory speech.

Already, a short time after N. Kargopoulos was dropped together with the officials of Movement who were on his side, the "Socialist Movement" as it was named has held a panhellenic meeting with a very large participation by former officials of PASOK, while it has already begun its organizational formation.

The contacts of the Movement with members and non members of PASOK in all of Greece as well as abroad are very good. Indeed, during this time, local "Socialist Movements" have been formed in many cities of the country, such as Kailishea and Karditsa. Offices are also expected to be opened.

Movement officials say that after its first organizational formation, "that is expected to be quick and impressive", there will be a drift of officials from PASOK to the Socialist Movement, both at the central level and especially at the base of the Movement. As a Movement official stated characteristically, "a little river will open that will flow from PASOK to us".

The political line of the Socialist Movement, according to the declarations, "is characterized by decisiveness, but also by responsibility. It will fight to justify the visions of these people, without, however, endangering whatever has been gained until now. It will support the PASOK government in its every positive measure, against every attack from the Right, but at the same time it will begin for one more time the struggle for socialism. The struggle for socialism is a prerequisite to stop the Right from returning. It will participate in overcoming polarizations that are promoted among the progressive political powers that we all respect, because these polarizations benefit only the Right".

Movement officials have already made official and unofficial contacts at the level of Central Committee members with the KKE, the KKE interior, the EDA and a lot of unattached leftists. As a Movement official mentioned, these contacts "were made on the initiative of the respective parties and in no case do they mean cooperation with these parties or joining these parties, but only the development of relations".

Besides, Movement officials turned down certain proposals for cooperation with the "Socialist Associations" of St. Panagoulis that was formed by the latter.

The contacts and investigations of the Socialist Movement naturally are correlated directly with certain new positions that were stated in recent days by the KKE, the KKE interior and the EDA.

Immediately after the PASOK gathering at Syntagma Square, the KKE launched a new "friendship attack" against the government, emphasizing that: "Self power, one party mentality and self sufficiency of the government party do not secure the necessary forces to confront important problems, strong reactions and heavy pressures, but lure the government practice to a road that takes it away from the masses, that cuts it off from the mass popular movement and sometimes puts it on the opposing side".

The KKE interior points out also that the "wide consent and the unifying disposition of the people that was a big weapon of Allagi were not taken advantage of by the government. The same party also pointed out the mistakes of the government and criticizes it for "despotism" and "arrogance of authority" that "frequently lead it to expressions of autocracy".

Finally, the turn of "cooperative" EDA is more impressive. In its latest decision, the Executive Committee of the EDA proclaims the reactivation of the party and its independence from PASOK.

In harmony with the tactics of the two KKEs, EDA calls upon the government to "realize that several of its mistakes are due mainly to the one party mentality and the arrogance of authority, a road from which party officials and administrators should get off."

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MITSOTAKIS POLITICAL MANEUVERING SEEN IN RECENT POLL

Athens EPIKAIRA in Greek 20-26 Oct 83 pp 6-7

/Text/ "A boom from heaven" for PASOK was the characterization given by a government leader to the "poll" a weekly magazine published a few days ago about the strength of political parties: PASOK, 41 percent; ND, 17 percent.

The trustworthiness of these figures was disputed by many sides and for many reasons, but what caused furor and indignation in the broadest strata of people and in all ranks of the New Democracy Party was mainly the way the poll was handled and exploited by two anti-government publications--the magazine NEA, which is owned by Mitsotakis' brother-in-law, and the newspaper AKROPOLIS, part owner of which is a young capitalist.

As was expected, the arrows, indignation and suspicions of ND cadres and followers were directed against Mitsotakis. "It was an orchestrated attempt for a new defection and only thanks to the prompt and strong condemnation by the people and the party, its objective failed," said an important ND cadre.

Mitsotakis, whose political stock had lately risen in the urban population, announced rather belatedly his disapproval of the poll's findings and separated his position from the journalistic activities of his brother-in-law.

Other reports from the Mitsotakis environment were that a large number of ND deputies would raise the question of leadership in the ND Parliamentary Group right after the scheduled ND demonstration in Salonica.

"Mitsotakis' designs for leadership now belong in the past," said a leading ND cadre and he added, "Regardless of his personal responsibility for the fiasco /of the NEA poll/ he cannot now expect to have the support of more than eight--at the most--deputies in the Parliamentary Group."

Among ND staff members the thought was even raised about expressing an official rebuke /against Mitsotakis/ and to take other measures. However, the idea was soon abandoned because such an action could be also interpreted as a party split with uncontrollable consequences in the future.

All of a sudden a curious or "poisonous"--as a reliable anti-government newspaper called it--poll upset the feeling of optimism which prevailed in the ND

Party and caused chain reactions in its branches and organizations.

The 10-day period prior to PASOK's large demonstration /at Syndagma Square/ was full of encouraging reports for the major opposition party /for ND/:

--The /election/ results in large organizations which constitute the indisputable political barometer showed the ND to be the stronger party or more perceptibly improved than last year despite the conditions under which such elections are conducted.

--The demonstrations its followers organized were more and more successful.

--The reactionaries who disturbed such demonstrations and terrorized ND followers began retreating in a spectacular way.

Then suddenly the...poll appeared. The magazine NEA, which is published by Mitsotakis' brother-in-law, published a poll taken by the Nielson Company which TA NEA had commissioned. The poll showed that ND dropped to 17 percent /from 30 percent/ and PASOK to 41 percent /from 48 percent/.

Third Shock

The news provoked, more as a published report than as fact, strong reactions within ND. It was the third shock brought about by NEA's brutal attack against ND and its leadership.

The first shock came after the events in Kalames /when ND followers were terrorized and wounded/. The magazine claimed that the bloody clashes started at the initiation of ND followers and that Averof personally was warned by party cadres before the incidents. Therefore, he was also responsible. The NEA article provoked strong reactions within ND and especially among ND's young people who were attacked and injured. Mitsotakis, whom many deputies--including Averof--considered responsible for the published reports in NEA, was forced to denounce his brother-in-law and to side with the views of the party leadership.

The second shock came a little later, in a published analyses by the brother-in-law about the ideological directions of the parties, an analysis which expressed divisive views against ND and its leadership.

Finally, the third shock came last Thursday with the contentious poll and its impact.

Target of Deputies

From the very first shock Mitsotakis had already become the object of comments within the party and especially by the Youth Organization of the ND Party /ONNED/. However, the great financial comfort the new magazine enjoyed prompted various discussions among political circles. It was broadly and

expensively advertised before publication. Its issues are luxurious and costly. With its first sharp criticisms against ND politicians, the magazine and the brother-in-law /Mitsotakis/ had become the target of open attacks within ND. Thus, the "minds" were well prepared in advance when the poll appeared last Thursday in NEA.

According to our reports the questions addressed to Mitsotakis himself by deputies concerned at first the poll. He answered that he considered it unworthy of credit. Then he was asked about the desirability of publishing an evidently unreliable poll in a magazine published by his brother-in-law, a magazine, moreover, which is read by the non-Marxist world. To this second question Mitsotakis either avoided answering or recommended ignoring the poll completely or said to his closest friend that he did not know why such "unreliable figures" were published. Be that as it may, Mitsotakis avoided, despite the suggestions of highly esteemed leaders in ND, to comment on the poll publicly and immediately.

They Burned Newspaper Copies

On the following day two disconcerting events took place. AKROPOLIS, which a few weeks earlier had begun attacking Averof and had suggested a renewal in ND, headlined the unreliable poll on the first page and accompanied it, moreover, with a commentary that this poll supported its argument for the need to renew the ND leadership.

From that moment on there was turmoil. Infuriated ND followers besieged the AKROPOLIS offices. Others were burning copies of the paper publicly in the provinces and cities. According to reliable reports Averof, through personal interventions and protests, averted aggravating the incidents. In a sharp announcement he pointed out that:

- a. The New Democracy Party is gaining indisputably and is already reaching the 50 percent mark. Two serious polls give an absolutely different picture /than the NEA poll/.
- b. ND is achieving important inroads and is even conquering for the first time past citadels of the Left.
- c. With such facts there is no need to give the lie to self-interests. They /opponents/ need only know two things:

First, with their polls they succeed only in serving PASOK which is on the downslide and KKE which lies in waiting. Can it be that this too is part of the secret aims of those who are looking after their own interests?

Second, they are not about to have me succumb because in these critical moments I have reason to believe that I fulfill a duty. In my whole life, despite any difficulties, I always did my duty.

It is undoubtedly clear that the characterizations and wrath in the Averof announcement are directed toward friends and not toward persons in the government.

Mitsotakis Renounces

Mitsotakis became the target of sharp criticism. In his office and in the Chamber of Deputies friends and rivals warned him of the immense harm done to him and to the party by the actions of his brother-in-law. He finally renounced again his brother-in-law and characterized the poll as "evidently not true to the facts."

Many deputies felt that the Mitsotakis statement was "insufficient" and asked for more concrete renouncement of the published poll, hinting as Averof had, that self interests were hidden behind the poll...

There are reports that problems were created even in the Mitsotakis family environment and that, as a result, his daughter quit working in his private office...

"I Challenge"

But while all this was taking place, the brother-in-law /NEA/ started counter attacking overtly now. In statements to the government newspaper ELEVTERI GNOMI he defended the credibility of the poll and commenting on the ND criticism said:

"Whatever they do is the result of the confusion they are overcome with. Instead of preoccupying themselves with what is presumably hidden behind the poll, they should be concerned with the causes which brought them down to this percentage /17 percent/." At the same time he challenged Averof to publish his own polls.

At that very same hour a pro-government paper which had secured the poll results either from the brother-in-law /NEA/ or the Nielsen Company, had made its own evaluation of the results and reached the conclusion that PASOK was already exceeding 50 percent!

A gift from heaven for PASOK was the characterization given by a government leader to the NEA poll at a moment, moreover, when the election results /of the workers' and employees' union/ in the Public Power Corporation gave ND 45 percent and the criticism for the flagrant cost of the /PASOK/ demonstrations at Syntagma Square had created defection and irritation to the government.

With big headlines the pro-government press described in tragic terms the situation in ND but completely failed to report on certain events such as the failure of the talks between the five socialist leaders at Vouliagmeni.

"Conspiracy"

Many deputies spoke about a conspiracy against the unity of the party and back stage movements by suspicious persons. They strongly accused Mitsotakis, whom they do not intend to clear of the responsibility for these developments by connecting his past defection with the present events.

Characteristically, a deputy who is presumed to be a friend of Mitsotakis was saying last Monday in the party's caucus room: "Can you imagine Mitsotakis as our leader?"

The criticism against AKROPOLIS continued last Sunday also despite the spectacular about-turn the paper made with an editorial it published Saturday and its aggressive anti-PASOK editorials in the following 2 days.

ND cadres criticized also KATHIMERINI which was the first to host an article about sharp disputes within the party between Averof and Mitsotakis. The article was written with a clear pro-Mitsotakis or, in any event, a clear anti-Averof feeling. Anyway, many members of the ND Parliamentary Group believe that the issue will again flare up when the Group meets early in November.

7520

CSO: 3521/65

LABOR PARTY'S VAN DAM'S VIEWS, IMPACT

Amsterdam ELSEVIER'S MAGAZINE in Dutch 5 Nov 83 p 184-190

[Report on interview with Marcel Van Dam, Labor Party member by correspondent Rene de Bok: "Marcel van Dam, Bombshell in the Ranks in The Hague"; date and place not given]

[Text] Marcel van Dam is a striking phenomenon at the Inner Court, not the least because of his own contribution. Feared because of his sharp tongue, he invents words such as "lubberen." He is the spiritual father of Jan Splinter and gardener Flipse. He combines political talent and a rebellious mind.

The Prime Minister even threatened to abandon his stoic role. With a quivering staccato in which sheer rage resounded, Ruud Lubbers replied to the opposition's big gun, Marcel van Dam. Without being asked, gardener Flipse and his wife were involved in the political existence of the prime minister. The stiff vocabulary of the general discussions was enriched with the term "belubberen," a synonym for political swindling. Lubbers called a "performance" the behavior of the former ombudsman, former secretary of state, former minister, former representative of the New Left and spiritual father of two irreconcilable enemies of the prime minister: Jan Splinter and gardener Flipse. From an interview in THE HAGUE POST last week, it appeared that Lubber's indignation about the shot across the bow which the PvdA [Labor Party] big gun Marcel van Dam had fired, had left a few traces. Lubber's characterized Van Dam's behavior as "very unparliamentary": "My anger was about that, not about that allusion to my name. And then the vague reference to the rich prime minister and the poor gardener Flipse, it was so shabby, so shabby to act that way."

In the house of Lords Restaurant in The Hague, Marcel van Dam again ruminates at ease about Lubber's complaint. The establishment reflects the stillness of the crisis. The little table at the window is boisterously occupied, for the rest, the silverware weighs heavy on the plush and the chandeliers mercilessly on the budget. Real minimums are hard to find.

Marcel van Dam rests wearily on his elbows. As his favorite subjects of conversation, the crisis and the people's resistance pass in review, the reflection of an abrasive existence gives way to fiery arguments, bitter asides and his inimitable grin, a superior laugh, full of quiet venom. Marcel van Dam is a striking phenomenon at the Inner Court. He is a master of manipulating votes and influences, in playing on the media, he is the opposite of the back-bencher, Van Dam is always in the limelight. Even if this is not appreciated, stronger still: especially when it is not appreciated. As a political actor, he aims over the heads of his colleagues in the chamber at the broad masses and television.

Marcel van Dam: "the basic difference between the way I regard politics and most politicians is the following: one still sits there in the chamber to a great extent to accommodate each other and not to create difficulties for each other. That has led a code of behavior which prevents for the most part the exchange of unfriendly remarks. Besides you must admit that political events are not recognized as such, as they are recorded by the media. Such great things can happen here in the chamber, if not a word of it reaches the people, it has simply not happened.

"My interruption of the general discussions is a typical example of that. What was Lubbers greatest complaint. It is quite simple. Den Uyl had already placed the problem of the real minimums on the agenda, why must Van Dam then intervene in such an odd manner. But now I say: What Den Uyl said had not appeared on the radio, not on TV and not in any newspaper. The impression has been created for years that those so-called real minimums provide additional purchasing power protection. Hundreds of thousands ran around in the country with the idea that they got something extra for Christmas. However, that is not so. Through my interruption, several hundred thousand know that now."

The Inner Court is a hot-bed of secret operations. Some chamber members have made a career of evading the facts. What are we to think about a term such as "belubberen," a term Lubbers himself translated as "to trick"? It is the version of a man who says he is leading a fight against a shadow play with words in the chamber.

Van Dam: "It is an old custom in the chamber that certain terms may not be used. One of the like--a word which is forbidden and consequently may not be used in activities--is to lie. You may not say that anyone lies. But it still happens occasionally. And then one gives a nice circumlocution and that may be accepted by the chairman. Then you get something like: "seldom has the opposite of the truth been expressed more forcibly in words than by the esteemed delegate. As regards that, the chamber is a social event. I do not lose any sleep about that. But let us know what is involved.

[Question] No beating about the bush, you suggest that Lubbers deliberately gives a false picture of the facts. That is a serious charge, that you cannot just classify under social events.

[Answer] Certainly, that is a very serious charge. I am not surprised that one obviously thinks that is usual, while discussing the problem as it really exists is not accepted.

[Question] Consequently: Lubbers gives a false picture of the facts?

[Answer] The CDA [Christian Democratic Appeal] has done that for years. Let us consider. In this cabinet's declaration of policy, Lubbers argued about the additional purchasing power protection of the real minimums. Bokman and De Vries of the CDA have again repeated the idea, as favor the real minimums. Now that is not true. And all may say that. I say: That is deception, for the real minimums declined precisely as much as the other minimums, only at a later period. If I expose that and do it in a way which reaches the people, they cry shame about it. "Belubberen", meanwhile has become a zinged word with the grumbling Netherlands. When the prime minister was aggressively approached on various occasions, "be-lubberen" was the cry of attack. I say to Marcel van Dam that it would not surprise me if a connection existed between the way in which Van Dam attacked the prime minister in the chamber and the physical confrontations of Lubbers in the country. Lubbers has been outlawed somewhat since he was accused of deception in the chamber.

[Question] Still many consider it unacceptable when an authority is waylaid in this way.

[Answer] But I thought what happened with Lubbers very weird. We certainly must not go that way.

[Question] I stick to it that you have created something of that nature.

[Answer] That is nonsense, that is ridiculous. I do not see that connection and if it should exist, then you are caught in an impossible dilemma, which finally leads to the elimination of the opposition. For is not leading the opposition, by definition, criticizing government policy?

Until now, we have had a democracy in which you did not need to shelter the leaders. What now is happening with Lubbers, fits well in the picture which I have long painted of the general discussions: There is some mischief brewing and they have not gotten wind of that. If it soon comes to an explosion, you may not say that the responsibility lies on those who predicted it. For that means that you always must keep silent. How can you escape that then? Should I have to stay at home in bed and only tell it to my wife? If the messenger is guilty, how can you conduct politics?

Marcel van Dam in his role of prophet of doom, respects neither friend nor enemy. His picture of the future of Dutch democracy is gloomy. He not only rejects neocapitalism, Van Dam also has little confidence in the conventional remedies of social democracy with the government in a leading role.

Van Dam: "Even social democracy has still not succeeded in finding an answer to people's increasing independence. Government regulations involve large groups. But collectivities do not exist anymore. It is my position that the crisis of the welfare state is not caused by the economic crisis, but precedes it. The conviction existed much earlier among the people that it was running aground: in the middle of the seventies, you could hear stories about the abuse of social benefits in the PvdA's heyday, in 1977 when we won 10 seats, you heard on the street during the campaign: but sir, is it possible to keep that up? There was a readiness among the people to take a step backward. What has now infected the Lubbers' cabinet? They have used the readiness for the process of retreat to push through a number of their ideological goals. On the right, you hear in the lobbies that the leveling continued too far and that the trade union movement went too far: employee participation and the VAD Excess Profits Sharing Bill must be ended once and for all. And thus the people were divided. A hard ideological struggle is now being conducted again."

"If you are now thoroughly convinced of that, what do you then do as a politician? Now I have taken it on myself to use all means available to me to clarify the matter, to prevent calamities. For I am convinced then that disasters are going to happen."

[Question] Convinced of what? That there will be deaths in the coming period of chaos and disorder?

[Answer] Look there again you have such a dilemma. As soon as you say anything like that, you are accused of conjuring it up. And still there is only one way to ward off the danger and that is to identify it. No one benefits from chaos and confusion, certainly not social democracy. For it always is presented the bill for that.

Van Dam does not think that incantations will help the Lubbers' cabinet any longer. For the genie is out of the bottle. Have you ever previously experienced this in Dutch history what is now happening with those official actions. Officials are still one of the least deprived groups in the community and one of the most loyal to authority. If anyone had told you 5 years ago that the officials would conduct an action and that even the trade union would not have anything else to contribute, but empty notes, would you then have believed that? Would you have believed that in Nijkerk the christian officials said to their trade unions: You can talk nonsense, but we are going to conduct an action. And that the trade union itself joined in it because it does not have any more choice?

"The government observes that with a bewildering indifference. One underestimates what is afoot in society. When I hear Kuding say about the actions: 'alas! that is a ripple,' then I think that we have to deal with a number of innocent people, who absolutely do not know what is going on in this country.

"I think that, as a member of parliament, I get more reactions from people than others. I get telephone calls and letters from people who hardly can write. I observe that hostility is frightfully deep and that the tone has changed very much in recent years. I note an increasing number of threats against everything, even against me like: 'we will come along sometime with a hand grenade.' I myself do not take it so seriously that I am inclined to request political protection, but it sets the tone for me. And I find it incomprehensible that responsible politicians ignore that so lightheartedly.

"If you regard the phenomenon as isolated, then you can shrug your shoulders about it. But my analysis is that it is a part of a complex for which no single political party has an answer. What is happening among the disadvantaged groups escapes them completely. That group comes practically no longer in contact with politics. I occasionally come into old neighborhoods. A hostility is piling up there which is inconceivable. If it comes to an explosion, it is aimless. Officials still look for

a trace. But aimless hostility can be directed against anyone. It can be against authority, but also against the Turk on the corner. Marcel van Dam is of the opinion that the unrest in the Netherlands will not lead to the passivity of the uninvolved, as is the case in developing countries. Van Dam: "You must not forget--and that is the difference between the Netherlands and the developing countries--what has happened in the last 20, 30 years in education and the communication systems. People now stay an average of four and a half years longer in school than previously. In the past 20 years, people were taught that they must stand up for themselves, that they have equal rights and do not need to take everything. There we have been busy all that time telling that. And now those people notice that it was a big front, a great betrayal. For when it comes to the trial, we again pay the bill for the crisis."

In his speculations about the future, Marcel van Dam sees Dutch society being guided by the American model. And he considers that a "wretched development." Van Dam: "America is the richest and most powerful country. But the society is roughly divided into two groups. A rather prosperous majority and a minority, which is partly based on ethnic considerations, has no part in the culture and are outsiders. That minority is used as a reservoir, as an economic buffer. If things go well, some people can again go to work, if it goes worse, then they again return to their ghetto. The usual rules of a society are no longer valid there. It is a jungle. The trash is not even picked up there anymore. The only ones who take care of that are the rats. The police come there only if a murder is committed. You must not think that you can call the police there with an ordinary complaint. It is a reserve for the outcasts. It has always been like that in America.

- "I am always bewildered when I come to America and discover that people do not even notice anymore that beside their enormous wealth such abominable poverty exists, that people pay thoughtlessly the price which is connected with such a society. If you go to visit anyone, two security officers stand downstairs to watch you. They ring upstairs to find out if a visit is expected, they press the elevator button for you...you cannot even operate many elevators anymore, for you might occasionally step out on another floor. One does not even realize anymore that this is a completely abnormal way to live. A movement has now started in the Netherlands which goes in this direction.

"After the war we saw a development in which people became more equal. People got a chance in education, income differences became smaller and even the cultural differences declined. The people's housing policy aimed at providing every Dutchman with decent housing. That even came in sight. Now you see the

development again go in another direction. You see it in small things: in the ~~also~~ housing policy, in a proposal to charge school tuition. But the greatest problem of all is naturally unemployment and the answer to it. We have now included hidden unemployment, a million unemployed. Then you still have a million beneficiaries of the law on Labor Disability. If you compare present economic policy with that, you come to frightful conclusions.

"I am convinced that the prescription of this Dutch government will lead to economic recovery in the long run. But that is an economic recovery from which that group is definitely excluded. We will have in 1986 no less than 1.2 million unemployed and in 1990 1.5 million. Half of all the students who graduate now from school will be immediately unemployed. Imagine that in 10 years a situation will exist in which there is employment. Do you think that anyone who has been unemployed 5 or 10 years has any chance when he or she applies. Then they say: 'We will take a young person who has just graduated from school. That is cheaper.' We are creating a completely outcast generation. I do not understand that the leaders can believe that such a process can be controlled peacefully.

"This government thinks: if the economy only moves now, then we will operate with only a million unemployed. They are too dumb to realize that as a society, you pay too high a price for that. The price is that you now will have to have two security officers at home, if you still want to live quietly. Then I say: never in my life. That is no society. What then have we worked for for 40 years in God's name, for that to happen...Did it not really succeed nicely? The Netherlands was one of the finest democracies in the world, but now we have begun a movement in the opposite direction."

Marcel van Dam suspects that the actions this week have started a process which is irreversible. Van Dam: "What is now happening has great consequences for society. For, however, it may turn out with the actions, it will always be wrong. If the actions succeed, then that will produce financial results with this economic policy, which will leave us further behind. As the government admits, then they may well start with the rest of their policy. For an imposed economy policy will certainly not succeed the next time anymore. But if the actions fail, the damage to the community is probably even greater. The confusion in the trade union movement will then be very great, while bitterness among people will acquire an explosive character..."

Marcel van Dam's tirades seem to have stopped. I spoke to him about his attack on American society.

[Question] Does he then see more in the alternative model in the Soviet Union?

[Answer] The Soviet Union is the most dreadful example which exists. America is a free country, although that freedom is reserved for a majority. In the Soviet Union, no one is free, except perhaps the top party leaders. In America you can choose political discrimination in which you may eventually succeed. In the Soviet Union, you can only choose between conformity or prison. That is a great difference.

[Question] Consequently you could not get along under the Soviet system?

[Answer] Absolutely not. For the same reasons why I interrupt Lubbers here, I would be in prison there in a week, if not worse. That is usually my habit.

[Question] I think you would not last the week.

[Answer] No, I do not either. I would even have to learn the language. But then I thought it was a good thing.

8490

CSO: 3614/14

CIVIL PAYROLL CUTS HELP COVER 1984 ARMS, EQUIPMENT COSTS

Paris LE MONDE in French 11 Oct 83 p 12

[Article by Jacques Isnard: 8896 Jobs Cut in Armies to Finance 1984 Equipment Effort]

[Text] "This effort could not be made for a whole hundred years" is the word in the cabinet of the Ministry of Defense on the 1984 draft military budget, which Mr Charles Hernu presented on Tuesday, 11 October to the Defense Committee of the National Assembly. It is judged to be particularly "tight," even "very strict," for operating expenses. A military budget proper which will total 142.1 billion francs (a mere 6.6 percent increase over 1983) if pensions (28.9 billion francs) and army social action credits are excluded, and which is to be examined by the Deputies on 3 November.

At first glance, this sum of 142.1 billion francs is the strict application of the terms of the five-year (1984-1988) law on military programming approved by Parliament last spring. Thus, Mr Hernu can boast of keeping the head of state and the government up to their military commitments despite the economic difficulties.

So whence comes this dull anxiety, perceptible even in the general staffs, as to the ability of the defense institution to remain as effective, as modern as is desirable in a period of international tension, in view of the austerity imposed on it by circumstances, as on other governments and government agencies?

The French armed services will be invited next year to content themselves with a rise in operating credits (salaries, training infrastructures), namely 75.5 million francs, which will be about 4.4 percent. This means that, even if inflation were held within the limits established by the government, life in the units, their instruction activities or reorganization of the military area will be organized just as they were back in 1978.

A Challenge

No personnel category is spared: not even the draftee (or rank-and-file soldier) who will receive one extra franc per day beginning 1 September 1984

for a present wage of 12 francs, but whose pay will go up proportionally if he agrees to rise in the hierarchy.

The Ministry of Defense hopes to take up this austerity challenge by reducing operating expenses by cutting 8896 civilian jobs. This cut should save in 1984 the equivalent of 352.7 million francs, or 0.4 percent of total operating expenses. It involves all three armed services and some of their departments (health, general armament delegation, and secret services) including civil government personnel but excluding the gendarmerie (police force) which, however, will not be recruiting as it was continually authorized to do since 1981.

Such personnel cuts are part of a government policy which consists of offsetting the necessary rise in equipment credits by deliberate restriction in operating expenses. It is not particularly popular in the armed services: 31,500 jobs will be eliminated between 1984 and 1988, including 22,000 men in the army alone and about 24,000 rank-and-file soldiers (mainly draftees). But it is being applied in many other Western countries since the point is to continue to finance the armament effort.

This is indeed what Mr Hernu tried to do with his 1984 draft budget in which payment credits allocated to equipment (namely 66.6 billion francs) increase by 9.3 percent and program authorizations under the same heading (85 billion francs) which are commitments to later expenses backed by payment credits, increase by 8.4 percent over 1983.

A Dual Condition

With 21,742 million francs in payment credits and 28,976 million francs in program authorizations, strategic and tactical nuclear armament mobilizes one-third of these equipment expenses. Enough to embark, beginning in 1985, on the first multi-warhead M-4 missiles on submarines, converting seven Mirage IVs (of the eighteen planned) into medium-range air-to-ground missile launchers, building sixteen Mirage-2000 Ns (nuclear version) and finishing manufacture of four Transalls which will relay government transmissions in a crisis.

In classical weaponry, orders should be placed, in particular, for twelve air defense Mirage 2000s, one nuclear attack submarine, five minesweepers, fifteen combat helicopters, Gazelle-Hot, thirty 155 mm cannon, ninety-one AMX-30 version B-2 tanks, and two hundred sixty-one VABs (front armored vehicles).

Give or take a few equipment items, these orders will next year represent half of what the government had actually committed itself to palce in the first stage of its military programming law, namely years 1984 and 1985.

But implementation of this equipment plan makes sense only under the dual condition that Mr Hernu manages to contain operating expenses within the

limits planned today and that the government refrains from asking him to multiply overseas expeditions. The operations in Lebanon and Chad are far from being free of charge: one billion francs already, if the prime minister is to be believed, namely the value of one nuclear attack submarine (without its weapons). The Minister of Defense is waiting for a respite in the form of a year-end budgetary collective in 1983 as in 1984. Without this supplement, the entire edifice of the five-year military plan would crumble and, with it, the modernization of the French forces.

CSO: 3519/75

NAVAL STAFF CHIEF SOUSA LEITAO ON NAVAL DEVELOPMENTS

Overview of Portuguese Navy

Stuttgart MARINE-RUNDSCHAU in German Oct 83 pp 442-445

[Article by Admiral Sousa Leitao, Chief of the Portuguese Naval General Staff: "Portugal's Navy"; translated by Dr. F. Forstmeier]

[Text] Strategic Situation

With its long coasts in the extreme western part of Europe and its islands, Portugal depends very heavily on the sea. It is proud of its maritime traditions.

The special strategic importance of Portugal and of the so-called "Portuguese triangle" to NATO does not require any special emphasis in view of the geographic conditions. Portugal is situated in the immediate vicinity of the vital sea-lanes leading from the South Atlantic to Europe, over which a large part of the goods coming from the Persian Gulf and South Africa, such as oil and strategically important minerals and raw materials, are being transported for the NATO states. Portugal also possesses favorably situated bases that make it possible to control and safeguard the East and South Atlantic and the Strait of Gibraltar, based on the island of Madeira, one of the southernmost bases of SACLANT (Supreme Allied Commander, Atlantic).

The important role of the Azores as part of the concept of the rapid transfer of troops to Europe (rapid reinforcement) is evident owing to its geographically excellent location halfway between the United States and the deployment areas in the European command area, primarily in the Central European sector and in the southern flank. The same applies to the vital role of Madeira and the Azores for safeguarding the mid-Atlantic in support of maritime operations.

In brief, Portugal, owing to its strategic location, is an area vital to the rapid transfer of reinforcements to Europe, for control of the access to the Mediterranean and for protection from threats to the southern flank.

Main Dangers

Regarding the East-West relationship, the following threat possibilities emerge in case of conflict:

1. Submarines. They are the primary danger to the sea-lanes, not only to Portugal but to all of Europe. At the same time, they are missile launching pads against coastal targets and at the same time for NBC (nuclear, biological, and chemical) attacks.
2. Mines. The deployment of mines that can be laid by submarines, aircraft, merchant ships or fishing vessels can blockade access to the main ports and endanger coastal and high seas traffic.

Therefore the Portuguese navy must be prepared to face by itself threats directed against Portugal and Portuguese territory and to protect the national sea interests. These threats could present themselves as follows:

3. Attacks on the national unity and integrity on the Portuguese mainland or on the islands, for example through promotion of separatist movements on the islands (or even by seizure of the islands), sabotage in ports and against merchant ships and secret landing of small groups of saboteur troops whose mission it would be to commit acts of sabotage and to attack certain military targets.
4. Paralyzing our 200-nautical mile economic zone. Therefore, provisions must be made for control and protection of fishing and for the 200-mile economic zone patrols. The latter must be part of the regular service of the Portuguese navy.

Duties

For defense against the above-mentioned threats, the following duties were assigned to the navy:

--To protect the sea routes between the mainland and/or the islands;

--To cooperate with army and air force in the defense of Portuguese territory;

--To maintain the national interests in the sea territories under Portuguese jurisdiction;

--To maintain national integrity and to contribute to preventing, or defense against, an attack on NATO.

Main Command Areas

To fulfill its task, the navy is active in three areas: the mainland, the Azores, and Madeira. Each of these ocean areas is under the command of a navy commander whose immediate superior is the chief of the naval general staff.

A commander not assigned to a specific geographic area is the commander of the marine corps who is also directly responsible to the chief of the naval general staff. In the coastal areas of Madeira and the Azores, the military authority competent for defense is the respective supreme commander, who is simultaneously NATO island commander (ISCOMADEIRA and ISCOMAZORES). The NATO IBERLANT staff with maritime headquarters in Lisbon is located within Portuguese naval areas.

Effectiveness of the Navy

The navy consists of about 15,000 officers and men, of which 2,500 belong to the marine corps. The number of draftees (primarily enlisted grades) is roughly 4,200.

The principal mission of the marine corps is the performance of small amphibious actions, such as, for example, raids to occupy or destroy limited objects. The chief of the marine corps commands directly the marine infantry continental defense corps, a regiment-strength unit, consisting of two rifle battalions and one marine police battalion.

The fleet comprises 20 warships (7 frigates, 10 corvettes, and 3 submarines) and 41 auxiliary warships and other vessels.

One of the three Almirante Pereira da Silva class (Dealey class) frigates will remain in service for some time while the other two frigates will be converted into "search and rescue" and economic zone patrol vessels in the near future. The four Com. Joao Belo class (Cdt.-Riviere class) frigates are now being modernized, whereby special attention is being paid primarily to such important areas as telecommunications and electronic warfare. The 10 corvettes are adequate for certain tasks: they

are being employed mainly in controlling the 200 nautical mile economic zone. Four corvettes that meet somewhat higher demands are also being employed for other operational tasks such as surveillance of Warsaw Pact ship traffic and for antisubmarine exercises that are being carried out jointly with frigates and submarines.

The three Albacora class (Daphne) submarines possess weapons to engage surface targets and antisubmarine weapons. The question of their modernization is now being examined (half-life major reconditioning).

The antisubmarine systems are frequently used in joint exercises with our NATO allies, such as, for example, "Ocean Safari," "Locked/Open Gate," as well as within the framework of "Passex" exercises. In addition, there are the Portuguese navy's own training and maneuver segments that are adapted to the NATO exercise plan. As already in recent years, one frigate is to remain in the STANAVFORLANT.

The Portuguese navy is happy to participate in all multilateral and bilateral exercises, primarily with submarines, for example with the Spanish or French navy. Our marine corps regularly practices with U.S. amphibious units in our home waters and at the coast.

Aside from a small diving command, unfortunately we do not possess any mine-sweeping or minehunter capacity, since the mine vessels still in service had to remove their mine countermeasures equipment between 1960 and 1970 on account of obsolescence. The absence of antimine units is a serious shortcoming.

Other auxiliary ships fulfill tasks of great importance, such as the surveying ship Almeida Carvalho, the training sailship Sagres and the fleet tanker Sao Gabriel. The small vessels have duties in coastal surveillance and in other peacetime activities. In case of crisis they can only serve limited purposes for control of port entrances or interior waters or make possible deployment of small marine assault troops at critical points along our coast.

Prospects

The main problems that the Portuguese navy has to tackle concern three fields: manpower that is too weak numerically for the present tasks; ships that are not equal either in number or in quality to the tasks assigned to the navy; and aircraft that are completely lacking in our navy.

According to the priorities outlined above, the concern of the Portuguese navy in the first place refers to the inadequate antisubmarine warfare equipment. The inadequacy of it, as well as the absence of long-range reconnaissance aircraft and antisubmarine aircraft and frigates for deployment in our waters where we can expect numerous submarines, is an indisputable fact. During a period of tension or conflict, the forces of the Portuguese navy would be the only ones in the IBERLANT area that would be immediately available, but they are numerically very weak. The situation will get even worse unless the three NATO standard antisubmarine frigates (Kortena class) that are being built with NATO support will soon be available. Special care is needed for our submarines that are now reaching half of their service life and must be reconditioned to be ready for action into the nineties.

The second worry concerns defense against mines. The lack of appropriate capacity may lead to serious curtailment of the country's supply and may conceivably make impossible any resupply or reinforcement operation by way of Portuguese ports. A first step on the way to a solution of this problem would be the procurement of six mine-sweeping/antisubmarine warfare units to protect the ports--mainly Lisbon--and to train the personnel.

Finally the amphibious forces ought to be strengthened through procurement of appropriate explosive ordnance; the same applies to the deterrent forces in our economic zone. In an appropriate construction program ten all-weather guard vessels should be planned, vessels that can carry helicopters on board.

Even though the Portuguese navy faces all these difficulties, we are convinced that it will succeed in overcoming them within a reasonable period of time and that it will continue to improve fulfillment of its national and NATO duties.

Officer Training, Education

Stuttgart MARINE-RUNDSCHAU in German Oct 83 pp 446-449

[Article by Antonio Egidio de Sousa Leitao; translated by Dr. F. Forstmeier]

[Text] If the career of the officers in the Portuguese navy is discussed, then what is primarily meant is the training at the Naval School (Escola Naval) in Lisbon. It serves not only the typically profession-related training as naval officers, but it is also supposed to impart solid technical-natural science knowledge that is designed to qualify for adequate participation

in subsequent training sectors at other national or foreign schools.

The Naval School, which recently celebrated its 200th anniversary, today symbolizes the path toward becoming a naval officer in general. A deviation from this basic statement occurs only in a few cases. Because of their numerical share, training of cadets liable to military service as marine officers that takes place at a separate school (Escola de Fuzileiros) constitutes the most important exception.

Until the late fifties, officer candidates were trained only in the three original specialized fields of seamanship, marine engineering and logistics which, taken together, we regard as the traditional fields.

The development up to the present status of the Naval School is a consequence of the additionally assigned responsibilities regarding training

- of draftees with appropriate background and
- of persons coming from lower career groups as officers
- of marines officers who want to become career officers.

The multiplicity of the different training directions necessitates the existence of courses with varied level and of different length. They last from a few months or, as in the traditional fields, up to 5 years. The necessity of the further development and of the constant updating to meet the constantly more demanding and complex tasks has caused profound changes in the organization of the traditional training, mainly concerning duration and contents of the curriculum. The latest change dates from October 1977 and the first officers whose studies were conducted according to this new model completed training in 1982. The following are the most important points in this change:

- a. Inclusion of the fields of electronics and oceanology in the seamanship cadet training. The advantage offered by a differentiated professional broadening in these subjects has been recognized. Following joint training, these officers can decide in favor of one of the two subjects, depending upon their inclination. This instruction follows the basic studies whereby in electronics a later continuation of training in telecommunications, artillery or antisubmarine measures is envisaged.

The choice of the subject of oceanology is based on the conviction that the protection and utilization of important national interests in the great offshore bordering sea (200-mile zone) will require great efforts by our country in the coming years. For this purpose, greater knowledge of the sea and its possibilities is necessary. It is clear that the navy has to make its contribution in this field and therefore it is trying to attract new personnel.

- b. More practice aboard ship. For this purpose, the future officers are assigned to the various squadron units during the last part of their fifth study year in addition to the voyages taking place at the end of each school year or on weekends.

This signifies 7 months additional shipboard time in conjunction with frequent operations at sea. Promotion to officer (Guardamarinha) follows.

In the organization of the various training subjects within the Naval School especially regarding the traditional special fields, there is the permanent worry about the balance of the academic-scientific/technical-maritime training of the new officers and their training as military personnel and future military leaders. There are constantly controversial discussions on this subject because of the subjective assessment in this point.

Personally I feel that we have found a satisfactory compromise solution but I also see that the further development will proceed in the direction of emphasizing the military components, something that, by the way, precisely corresponds to the trend that can be observed also at other Western military schools.

The Naval School is a particularly sensitive institution. Correct or incorrect decisions here sooner or later have direct consequences in the entire navy. On the other hand, it also has to deal with many options of the most varied origin that originate also outside the navy. Some factors that very probably will lead to important changes in organization and implementation of training at the Naval School in the near future are to be addressed below:

- a. The question was raised in the navy whether the present division into the mentioned traditional special fields of seamanship, marine engineering and logistics is to be continued or to be combined into a single training subject. A tricky question which naturally would cause deep changes in the four existing school curricula. In this case the

common factors would be more heavily emphasized while the separating elements would be less stressed.

- b. The necessary revision of the shipboard organization, which is now being worked on, appears to tend toward a model of the division into various main segments, similar to that of most other West European navies. The results that will be the outcome will lead to more or less important consequences, especially for the electronics curriculum.
- c. Through a change of the national educational system, the number of the school years at the secondary schools has been increased from 11 to 12. Because of this fact, it will probably be necessary to compensate for this additional time by reducing training at the Naval School by one year.
- d. A perhaps not completely decided question is whether to keep all of the various courses or to return to the former system--concentration on the traditional training subjects only. Despite possible disadvantages, I see in the former model the clear advantage of the greater unity of the academic level, something that has provided a more pronounced profile to the school overall.
- e. The future introduction of ships with shipboard-based helicopters will lead to some foreseeable consequences. Then it will be necessary to train simultaneously pilots and technical officers for such ships.

The questions raised and also questions that have not specifically been raised will continue to require great flexibility and adaptability by the Naval School. The search for suitable answers constitutes a new challenge, whereby the experiences of the past guarantee resolute action.

II.

After completion of the training period at the Naval School, the future officers go aboard ship. Almost all of those of the seamanship service then return after two years to shore duty to specialize in a further course in one of the specialized fields of electrical engineering, submarines, telecommunications, hydrography, sports and other subjects at the technical schools. As a result, all navy training facilities that otherwise only serve in the education and instruction of NCOs and enlisted personnel are taking part in the officer training. In addition, nonmilitary facilities are being utilized.

The specialized courses as a rule are training sectors lasting 40-45 weeks. However, in some instances there are shortcomings in the equipment of the lecture rooms on account of the serious financial problems of the navy. Examples in this respect are the fields of underwater detection, electronic warfare, and the missile field.

Regarding technical training, two aspects are to be stressed:

- a. Concerning the above-mentioned studies on a new shipboard organization, the conviction has been achieved that these technical courses must be radically changed as regards subject and duration. Some will perhaps be completely abolished while others will be newly created. Training of officers is to be considered who in the future will be able to lead operations, weapons and electrical engineering sectors.
- b. It can be foreseen that the concept of these specialized courses will be strongly influenced by the ongoing conclusions that will be attained within an overall advanced planning. Goal of this plan, whose first phase will soon be implemented, is practice-oriented training.

III.

Prior to selection for promotion to capitao-tenente (lieutenant commander), the first staff officer rank, the officers of nearly all specialized fields must graduate from an 8-month course at the Instituto Superior Naval de Guerra (Naval War College) that is to prepare them for the later exercise of leadership functions (senior officer in command/ship commanding officer).

Some of these officers can register for a supplementary course if there is an intention to employ them in staff positions on a higher command level.

In the same institute the officers in the rank of a capitao de mar e guerra (naval captain) who are eligible for access to admiral's rank only after they have acquired knowledge of a certain field of specialization attend a further training sector. The goal of the underlying doctrine is the similarity of thought processes and actions, building on the pillars considered as most important: strategy, administration, and tactics. Of course, tactics is more the foundation of the first mentioned course, while in the latter course the attention is concentrated especially on the aspects of administration.

Since a few years ago, this training of the naval captains is followed by practical interforce training together with colonels of the army and air force who had attended appropriate courses in their own services. This joint practical training lasts for a month and has proved to be very interesting. Moreover, some naval captains are able to attend similar courses in the United States or in Great Britain.

IV.

Sometime during their career, more precisely during the time when they are in the rank of a lieutenant j.g. up to and including capitaoa-tenente, selected officers are sent for postgraduate training; for some this may signify a change in their field of specialization, such as from seamanship to naval engineering or to shipbuilding.

The naval academy in Monterey, United States, is used almost exclusively for this purpose. This relatively extended training (2-3 years) has been a good solution to satisfy the requirements in the fields of electrical engineering and electronics, mechanics, naval weapons, computer and data processing, hydrography and oceanography, operations research, and other subjects.

Despite the very advantageous conditions (no tuition), the costs for the training are very high. But since it is probably unavoidable that the percentage of officers with this qualification must be further increased, the necessity must be considered to make use of other national and foreign schools in the future, as was done in the past in Italy, Great Britain, and France.

V.

In addition to these more or less regular courses, it should be mentioned that the officer training is being supplemented by a number of additional courses and practical training sessions that take place in the naval schools, other Portuguese military schools and in foreign schools and with business firms.

They are, as a rule, training segments of short duration (a few weeks) that satisfy many needs of training and advanced training that occur in fields such as operation, information and logistics, new weapons technologies and other armament fields and even include medical and pharmaceutical fields of specialization.

VI.

The education and training system for officers indicates more and more clearly the growing complexity and at the same time the great financial load connected therewith despite the modest dimensions of the Portuguese navy.

In addition, there is the difficulty caused by the education and training activities that numerous officers very frequently are not available because of their attendance of various courses. This makes itself felt in an especially detrimental manner because of the great shortage of career officers that has prevailed for years and that can be overcome only slowly.

Therefore what is important is to see to permanent rationalization and improvement of the training system without endangering the dynamics and reactivity that is demanded of the navy of the future on which our hopes rest.

12356

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SURVEY OF RECENT DEVELOPMENTS IN MULTINATIONAL CORPORATIONS

Paris LE MONDE in French 22 Oct 83 pp 1-2

[Article by Pierre Drouin: "The New Multinational Machinery"]

[Text] In an economy which, despite the crisis, is becoming increasingly global, multinational corporations have to wriggle like fish in water. True, their health is good, but they're changing shape. They will probably remain faithful to their genetic program. They are equipped to move their pawns into the best squares of the world chessboard with a highly visible hand, and more and more profits will spurt out of these squares. Among them there is more competition than in the days of the fat cats of the economy, and the idea of a sort of clandestine orchestral conductor of "monopolistic capitalism" now belongs only to the shadow play of today's communist ideology.

This said, the strategy of the multinationals is not immutable, and this is their strength. It is their great ability to change which has allowed them to weather the crisis virtually unscathed. It takes more imagination to prosper when the general pie is not getting any bigger. What are the characteristics of the new machinery?

With the theme "multinational corporations, economic restructuring and international competitiveness," a three-day colloquium has just been held at the Rockefeller Foundation of Bellagio, organized by the Institute of Research and Information on Multinationals⁽¹⁾. About twenty professors from three continents (Europe, America, and Asia) each read papers on their own countries. If we compare their viewpoints with those expressed in recent books and articles⁽²⁾ we can trace the main themes of change in the "multinational" landscape.

Indubitably, corporations in this category have multiplied over the last ten years, precisely so that they will be better able to respond to the crisis. Although the United States is still the largest source of direct investment abroad, said Mr Thomas Pugel in Bellagio, its share of the total has declined.

Of the total foreign investments of the thirteen industrial countries which between them account almost for the entire amount, the United States share, which was 61 percent in the period 1961-1968, fell to 29 percent in 1974-1979.

Conversely, the United States received from these same countries 27 percent of the total, while the share was only 3 percent in 1974-1979. European and Japanese firms and, in a smaller proportion, those of the "new industrial countries" are setting up more and more subsidiaries in the United States.

Another finding: the variety of investor motivations. Mr John Dunning, speaking for Great Britain, stated that the original goal was to seek raw materials, then markets, then lower labor costs. These are more easily found today in high technologized countries than low-wage nations.

There has also been a slide in the nature of international investments: we are passing from the primary and secondary sectors (representing 90 percent of American assets abroad in 1966) to the service sector (over 30 percent total in 1980). The same applies to foreign investment in the United States, and this phenomenon is also found for investment from European countries or Japan. Banks, tourism (which continues to grow despite the crisis) generating chain creations of hotels and restaurants, insurance, advertising, and telecommunications companies are rapidly carving out a bigger and bigger share in the multinational family.

Moreover, we are witnessing a very strong acceleration in the international growth of companies, since this appeared to them to be the best response to the crisis. In expanding, the multinationals favored repurchase, absorption, mergers, and investments in existing foreign companies. France, with both its private companies and formerly or newly nationalized companies, is not lagging behind here. If we look at newly nationalized companies alone, we see that the foreign share in total sales was, in 1980, 70 percent for Matra, 68 percent for Dassault, 68 percent for Roussel-Uclaf, 57 percent for Rhone-Poulenc, 54 percent for Pechiney-Ugine-Kuhlmann, 45.5 percent for Saint-Gobain-Pont-a-Mousson, 43.3 percent for C.I.I.-Honeywell-Bull, and 31 percent for the C.G.E.

The annual total of French investments abroad and foreign investments in France has more than doubled in ten years. "This progress must be pursued, notes Mr Michel Cicurel (3). France when weak was struggling against the multinational enterprises of foreign origin. France when strong is constructing multinational enterprises of French origin.

Counting on Ones Own Strength

Another noteworthy development in the multinational game relates to conversion of financing resources of the subsidiaries. The funds they send to headquarters, very substantial thirty years ago, now represent only a marginal resource. It is the profits plowed back on the spot or loans obtained by the subsidiary itself which are the source of supply. We can even see in the United States, over the last few years, some parent companies using their foreign subsidiaries to finance their national operations.

For balance-of-payments reasons, some countries such as France can force companies wishing to invest abroad to obtain most of the necessary funding abroad.

The logic of development of subsidiaries abroad joins the logic some people want to see reigning in the third world: counting on ones own strength.

In the multinational machinery, developing countries play a different role than they did twenty years ago. Let us take two extreme cases: India, which is repelling foreign multinationals as much as it can, and Singapore which is attracting them as much as possible: indeed, nine-tenths of its output is the result. Between these two extremes is a country like South Korea.

This said, developing countries attracted far fewer direct investors between 1960 and 1980 than hitherto. On the other hand, other techniques of capital transfer are developing in the form of licenses, subcontracts, procurements, and services or sales of turnkey factories.

For their part, some developing nations are preparing as investors on the multinational scene: new industrial countries or, on the contrary, countries with long experience such as India and Malaysia⁽⁴⁾.

In Japan, joint ventures with foreign partners have always been part of the strategy employed to learn American and European technology and management. But what truly characterizes the Japanese multinational activity pattern, notes Lawrence G. Franko⁽⁵⁾, is, firstly, orientation to production sites in Asia and Latin America, where labor is cheap, and, secondly, intensive utilization of production zones as export jumping-off points to other countries. The multinational activity of Japan has developed far more in new industrial countries than in North America or in Europe.

"The study of politics is the study of the influence of the influential" wrote Harold D. Lawwell. In this regard, what could be more "political" than the sphere of these great companies which are pushing their antennas into every corner of the world! To measure their power precisely would be a most interesting project. And one's liberal faith would have to be well nailed down if we were to think like F. A. Hayek, talking about the huge size of a company, that power over material things does not necessarily entail power over human behavior⁽⁶⁾.

FOOTNOTES

1. 45-47, rue de Lausanne, 1201 Geneva.
2. "Nationalisation et internationalisation" by Mrs Madeuf and Messrs. Delapierre, Michalet, and Ominami (publ. La Decouverte, Maspero) and "Les Investissements internationaux; quels changements pour les années 80?" [International Investment: What Changes for the Eighties?] by Dominique de Laubier in "Economie prospective internationale," a journal from the CEPPI (Center for International Prospective Studies and Information), fourth quarter issue, 1982.
3. "La France quand meme" [France, Nonetheless], Robert Laffont, 1983.

4. Read in particular the article by Sanyaya Lall in "Les multinationales en mutation" [The Changing Multinationals], proceedings of the colloquium organized in November, 1982 by the CREPA (Center for Pure and Applied Economics Research) and the IRM (Institute of Research and Information on Multinationals) published by the IRM and the Presses universitaires de France, under the direction of Allain Cotta and Michel Gherman.
5. In a well-documented book which has just come out under the title "Replique occidentale aux multinationales japonaises [Western reply to the Japanese multinationals], Editions IRM, Presses universitaires de France.
6. Read his "Droit, legislation et liberte" [Law, Legislation, and Liberty], Vol. III, p 94, Presses universitaires de France, 1983 (French translation of a work published in 1979).

12434

CSO: 3519/61

'POLITICIZED' BUDGET DEMANDS BELT TIGHTENING POLICY

Athens ENA in Greek 27 Oct 83 p 12

[Passage enclosed in slantlines printed in boldface]

[Text] Will the new 1984 budget be "politicized" or realistic? This is the question that preoccupies the competent ministers who must decide before the end of November what economic policy the government will follow in 1984. The course taken by the economy compels the government to follow a tight income policy, to restrict public expenditures and at the same time to find a way to increase public revenues.

The Minister of the National Economy Ger. Arsenis developed those views about a month ago at the KYSYM [Council of State] but, as was natural, they were not met favorably by the other members of the Council of State and particularly by the purist representatives of the party (Genimatas -Tsokhatzopoulos).

According to information obtained, the sometime realistic technocrat and actual "socialist" Ger. Arsenis, according to the morning party newspaper of the PASOK, did not defend his position too warmly, admitting that "he conceives a pre-election period" (even if it is only that of the Council of Europe elections). Thus it was decided:

.That the budget should be suffused with optimism regarding the evolution of the economy and be based on a renewed stimulation of the market.

.To seek an increase of public revenues through indirect means and without any apparent tax loads.

.To publish the entire ATA [Automatic Cost of Living Readjustment] for the last 4 months of 1984 but without revising the scales.

. To restrict to a minimum forecasts on covering the deficits of public institutions and enterprises.

. To increase the budget deficit but to cover up this increase with an "optimistic forecast" on the Gross National Product.

"Politicization" Seen as Dangerous

An economic spokesman maintain, this "politicization" of the government budget, which will be based on fictitious forecasts, can in the short run meet the needs of the government party but it will, without any doubt, intensify the crisis which plagued the economy.

None of the economic indicators justify optimism for the immediate - or the more distant - future and the only thing achieved by the ease with which the government puts off turning back, from one semester to another, is to defer the implementation of the measures which would check the recessions.

The remarks of the London "TIMES" correspondent in Athens, on the occasion of the visit of socialist premiers to the Greek capital, are characteristic: "It is very difficult to admire the amazingly negative results of A. Papandreou's economic policy which, after 2 years, it is very hard to attribute to the international economic crisis or to the "chaos" he inherited from the conservatives."

Instead, statistics (even those whose credibility is doubted by the OOSA [Organization of Economic Cooperation and Development]) leave no margin for optimism and political animation. It is significant that:

. Despite forecasts, inflation runs at a rate of over 20% and it is calculated that by the end of the year it will reach 22 to 23 %.

. As is apparent from the bankruptcy records of the nation's Courts of First Instance, over 37,000 enterprises, generally small to medium ones, ran into debt during the past 2 years.

. The number of protests on bills of exchange during the first 8 months of 1983 increased by 215,000, which is equivalent to hundreds of millions.

. During the same period the number of worthless checks rose from 28,465 to 45,200.

. 11,800 industrial enterprises, of medium and large size, which showed in 1981 total benefits of 13,5 billion drachmas, suffered in 1982 losses totalling 17 billion drachmas. It is significant that enterprises controlled by the state or nationalized banks also have shown higher losses or turned into money losing enterprises.

. The influx of foreign currency from exports has decreased by 17%.

. In the past 2 years the drachmas was depreciated by a total of 60%.

. Industrial production had increased in May by 96%, in comparison to 1981 and by 3% in comparison to 1982.

. Investments showed an 11 % decrease for the first quarter of the year. It is revealing that in the publication of the Ministry of the National Economy, "National Quarterly Accounts", it is noted that "the absolute level of investments for

the quarter under consideration is the lowest registered during the 1975 to the 1982 8-year period."

The Same Mistake Repeated

When Premier A. Papandreou, the first year that the PASOK came to power, announced the income policy of his government, everybody knew that "the economy could not afford such luxuries." The significant increase in the wages of the low-salaried and of unskilled workers would noticeably burden production, lower the competitiveness of domestic products and create a problem of unemployment. And so it happened. The government, of course, knew all this but with an eye on municipal elections it decided, following its rise to power, to follow a "pre-election income policy." The result of this decision was the freeze and the ill timing of 1983.

Today, although conditions are notably worse than in 1981, it appears that the government is making its political choices by repeating the same mistakes.

With the sole aim of offering a fictitious euphoria to the voting body, with an eye on the European elections or possibly the parliamentary ones, the government will base its economic policy for the first semester of 1984 on unrealistically optimistic forecasts. But it is difficult to say with any surety whether the economy will be able to withstand this new "politicization" because, as economic observers maintain, "very soon the explosions will no longer take place underground and then whatever was built on top will come toppling down."

12278

CSO: 3521/59

FORMER ND MINISTER ON PLIGHT OF BUSINESS

Athens I VRADYNI In Greek 15 Oct 83 p 7

[Text] The European Economic Community has designated 1983 as the year of small and medium-sized manufacturing enterprises. In Greece, according to official data, every day two small or medium-sized businesses shut down. On its part, two years after assuming power, the government is continuing the pre-electoral promises, essentially indifferent about dealing with the professional craftsmen's real problems. And yet there is a solution to the problems of small and medium-sized businesses, as former Minister and New Democracy Deputy Miltiadis Evert maintains in the interview which follows:

Question: There has been much discussion recently about small and medium-sized businesses and their problems. What comments do you have?

Answer: The EEC has designated 1983 as the year of small and medium-sized (MM) enterprises. The European Community throws a very great weight on small and medium-sized enterprises and supports programs on both a community and national level which are related to small and medium-sized business. Consequently, all discussions originate from the EEC's initiative, not a Greek-level initiative.

But, instead of celebrating in Greece, the MM enterprises are passing through the "year of Golgotha" which has led, for many of them, to bankruptcy. With the government's spasmodic and inept measures, the MM enterprises in Greece are at a very great impasse. Handicrafts and shops are closing one after the other and bankruptcies have increased, within a very short period of time, by 35 percent. The high unemployment which, from three percent, has surpassed ten percent, and has reached approximately 300,000 unemployed, comes mainly from small and medium-sized businesses. One in every three employees in MM enterprises is let go.

ND had promised before the elections that it would be the protector of small and medium-sized businesses. From a protector, it has turned into their demolisher.

Question: Do you find that MM enterprises have advantages?

Answer: In general, small businesses have certain advantages and disadvantages. The advantages are: great adaptability, ability to make quick decisions, ability to swiftly implement innovations, and detection of the empty spaces which demand creates in the market. Close contact with their customer leads to a constant adjusting to his demands and thus a stabler clientele.

Question: However, there are also disadvantages to MM enterprises.

Answer: The disadvantages of all MM enterprises are almost common and there is differentiation simply in the intensity of each problem and its hierarchy in each business.

First: A basic problem is the inability to find easy financing which the MM enterprises have. This is due to their limited credit standing.

Second: The limited possibility of financing, but also the limited knowledge of the market's possibilities on both the national and international levels, create problems in the MM business related to procuring raw materials and selling products. Small business faces problems in practicing a policy of stockpiling. The small or medium-sized businessman is impeded from making a mass purchase of raw materials when their prices are suitable. The suppliers' credit terms are usually not favorable.

Third: Usually the MM business faces problems of management and specialized personnel. As happens from circumstances to the small businessman, it is difficult for one person to incorporate many abilities: to be, at the same time, a good technician, good manager, and good businessman and to know well the whole spectrum of subjects referred to in the business. Usually the same person is called on to deal with all the problems--technical, financial and administrative.

Fourth: A particular problem, which appears with particular characteristics in Greek MM enterprises, is the multiformity of production. That is, they simultaneously produce a variety of products, with the result that they do not maximize the business' possibilities for good-quality products at a low cost.

Fifth: The inability for an organized accounting office to exist creates problems related to the tax system. Thus begins the reason for the objectionable haggling between the taxed MM enterprise and the public tax office.

Sixth: A problem for the MM enterprise, particularly a handicraft business, is the space for facilities. Usually handicraft units operate in residential areas and, as a result, in certain cases environmental problems are created. In addition, the areas for facilities are limited and lead to a counterproductive system. Mechanical equipment is not placed rationally.

Question: How do you believe solutions can be given to the MM enterprises' problems?

Answer: First: The financing problem could be confronted to a great degree with a correct national credit policy. The MM enterprise's inability to cover loans with real and other securities is solved to a great degree with the guarantee given by the state. The Greek Public's contribution for loans to MM enterprises, which was established by ND, amounts today to 100 percent for loans up to two million drachmas, 80 percent for loans from two to five million drachmas, and 60 percent for loans from five million drachmas and up. Because of the devaluation of the drachma and increase in inflation and in the cost of MM enterprises in general, an increase is necessitated in the surety which the public grants, to 100 percent

for loans up to three million drachmas, 80 percent for loans from three to eight million drachmas and 70 percent for loans from eight million drachmas and up.

The total amount in loans with favorable terms should reach, from the 60 million which it is today, to 90 million. This is necessary if we wish to see MM enterprises expanding their activity. In order to cover the needs of the business in working capital, the financing possibility must amount to 80 percent of the turnover.

With the current international conditions, the interest rate for financing must not exceed nine percent, in order to enable the MM enterprises to be competitive in this sector.

The only way to activate the banking system in granting loans to MM enterprises is for these loans to have a high return for the bank instead of a low interest rate. All the other admonitions about strengthening the MM enterprises are litanies without guarantee. This can be achieved with a proportionate release from the compulsory interest-free account which the commercial banks in the Bank of Greece have and which renders them nothing. If the release is approximately 150 percent of the loan granted, then the lending bank's additional return will be 28 percent, when the interest rate on advances to the craftsman is nine percent.

It is now necessary for every bank, particularly the investment banks, to have small groups of professional engineers, chemists and agriculturalists to study and introduce craftsmen's proposals for loans in the sector of innovations. However, the strengthening of innovation can be achieved mainly with the creation of "enterprises for financing innovations," which can be created by a subsidiary company of the investment banks and by private initiative, with the furnishing of certain tax and financing privileges.

Second: The MM enterprises' weakness as concerns procuring raw materials and disposing of finished products could be overcome by reinforcing the institution of cooperative businesses. The institution of cooperative businesses, which corresponds better than any other institution to the characteristics of MM business, can give it the comparative advantages which the large business has in the sector of procuring raw materials and disposing of products, particularly in the international market.

A cooperative of 10 to 20 businesses can create a joint procurements department. Thus the expense is shared and more convenient financing conditions are created without the MM enterprise's legal independence, and the advantages distinguishing it, being lost by this cooperation.

It is not necessary for the cooperative association to appear in the whole spectrum of the productive system: procurement-production-disposal. Every branch has its idiosyncracies and, therefore, in some MM businesses the cooperative can apply to procurement, and in others to disposal or production.

During the period when I was minister of industry, cooperative companies were established with ETVA [Hellenic Industrial Development Bank] by 40 ready-made clothes craftsmen and 35 knitted-wear craftsmen. The woodworking cooperative was also notable.

The institution of the cooperative business can be strengthened by rescinding every tax on transactions engaged between the cooperative business and its members. For the same reasons, the taxes imposed on amalgamations, incorporations, acquisitions, etc. should be decreased.

Important measures were taken in this direction in the past.

In addition, implementation of the Value Added Tax will help in this direction.

It is necessary to strengthen the institutional framework for the creation of trading companies whose object is to support MM businesses in their exporting effort. In order for the institution of cooperative businesses to be expanded, however, the contribution of technical and financial advisers is needed and the role of EOMMEKh [National Organization of Small-Medium Size Enterprises and Handicrafts] is great here.

Third: An analogous sharing with a cooperative system can occur in the productive process also. For example, it is not necessary for the same woodworking business to make both the chair and the table. On the contrary, sharing the consignment leads to simplification and the advantages of mass production.

An important factor in this direction can be the contribution of leasing companies (machine-rental) which allows the MM businesses--characterized by the small capital structure--to acquire equipment with long-term leasing, that is, without committing significant capital and buying the machine when the possibilities of the business allow it.

In addition, the MM business is strengthened significantly by the creation of appropriate financing and tax conditions which aim at reinforcing the institution of cooperation between large and small businesses through the system of subcontracting. But this subcontracting cooperation should not lead to the small business' complete dependence on the large one because then the MM business' advantages are lost, and this ends up finally at the large business' expense.

At any rate, all these institutions, while they ought to help the MM business, should not change the meaning of free competition with indirect, adulterated subsidies which end up at the expense of productivity on a national level.

Fourth: The problem of housing MM businesses can be confronted by expanding handicraft areas and multifloored handicraft buildings.

In the past, ND developed standardized handicraft buildings within industrial areas. The areas which had been filled with handicraft buildings amounted to 2,100 stremmas. There is need, however, for 12,000 stremmas. Unfortunately, this program has been abandoned by PASOK. Aside from the four large multifloored buildings which were created in the days of ND, there has been no other.

The future need, for new handicraft areas amount to approximately 15,000 stremmas.

Fifth: At the same time there is a need to reinforce the institution of exhibitions. The Salonica Fair is not enough to cover this purpose. It is necessary, therefore, for permanent exhibitions to be organized in Athens, Patras, Irakleion and Ioannina

where regular shows of Greek products will be rotated. But even in New York, London, Paris and Frankfurt space could be rented for permanent exhibitions of Greek products, where showings of similar products would be alternated.

Question: What can be the role of EOMMEKh?

Answer: Its role was and is great. But the effort of EOMMEKh, the Organization to Promote Exports, etc. is not enough. The principal weight must fall on the chambers of commerce which, in cooperation with the banks and Ministry of Commerce, must create an information bank which will acquaint the MM businesses about the possibilities for promoting products, mainly abroad, and about the possibilities which the EEC offers to MM businesses. In addition, the MM businesses must strengthen the institution of their branch's organization. Designing studies, projecting the prospects and problems which the branch faces, assisting members on issues involved in training personnel, advice about procuring appropriate mechanical equipment and the prospects and conditions in the market of raw materials are sectors in which every organization in the branch can throw its weight.

The role of EOMMEKh in this effort must be a coordinating one which assists organization of the branches.

Question: What are the sectors in which the MM business can succeed?

Answer: All of them. But primarily they are those branches which require a constant adaptation to the customers' needs, correspond to specialized markets and produce products which are constantly altered by developments in fashion.

For our country, I would say that particular emphasis must be given to the branches of clothing, footwear, wood, silver and goldsmithing, aluminum, precision instruments, farm machines, machine accessories, electric appliances for home use, solar water-heaters, etc.

I repeat, however, that this means the MM business has a future in many other branches also.

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100: 3521/69

THREAT TO PRIVATE SECTOR SPARKS REACTION

Rhodes Meeting Expresses Worry

Athens I KATHIMERINI in Greek 26 Oct 83 p 7

/Text/ The preliminary work for the five year plan and the bill for farm cooperatives was done by the Administrative Committee of all the EVE /Chambers of Commerce and Industry/ that met in Rhodes with Mr Laz. Afraimoglou as chairman. Regarding the preliminary work on the five year plan, the productive classes expressed their concern that the pursuit of at least certain targets would not bring about the desired results.

The attempted modification of the "edifice" of our economy was pointed out with the narrowing and lessening of the role of private enterprise that is unavoidably the consequence of the desired development of the government and social sector. Emphasis was made of the negative consequences that this will have for the course of our economic development and especially in the sector of productivity and competitiveness of domestic production.

It was pointed out also that even though it is recognized by everyone that the government sector in our country is quite swollen, the preliminary work provides for its further extension, even though the Greek realities that all of us know so well, but that other foreign experiences have proven in the most persuasive manner, show negative results in this sector. As it was pointed out, only by activating private initiative that can be created in the proper business climate so that it can assume responsibilities and initiatives will the end of the recession be achieved and will unemployment be confronted.

The fear of not materializing the percentage targets of the five year program was pointed out also. Specifically the increase by 4.5% yearly, on the average, of the GNP and by 6% of the real investments during the five year period 1983 to 1987. After this, it was pointed out that there is a need to re-examine both the programmed expenses and all the other targets, the materialization of which has been based on the achievement of the desired increases in the GNP and the investments.

Without Privileges

Regarding the bill for Farm Cooperatives, the Administrative Committee decided to restrict its proposals in the beginning to the section that regulates subjects of relations between the cooperatives and commerce and industry.

It was pointed out that the Chambers of Commerce and Industry have no objection to the idea of cooperatives, with the understanding of course that the cooperatives will operate without special privileges that would create unjust competition. Grants and privileges only to certain producers and distributors cannot result in anything else than an increase in cost and in lessening the competitiveness at the national level.

The EVE representatives believe that the farm cooperatives should be restricted to production, processing and distribution of the products of their members. However, if they wish to increase their activities to include the distribution of products of other parties, they should be subject to the same tax and financing etc. situation that is true for the respective private businesses. It was especially emphasized that the farm cooperatives should also be subject to audit that will permit the economic results of their activity to become known.

Kolmer on Sector's 'Persecution'

Athens MESIMVRINI in Greek 10 Oct 83 p 8

[Article by K. Kolmer: "The Great Persecution of Private Initiative"]

[Text] Prime minister, Mr Andr. Papandreou, during his last speech (30 Sep 83) at the Ministerial Council, referred to the economy, supporting certain views that cannot go by unnoticed.

First of all, Mr A. Papandreou claimed that "historically" the Greek industry is not and has never been self-operative. It relied to a large extent on bank financing.

Actually, that is the way it is. What Mr An. Papandreou failed to tell us, however, was why the industry became a branch of the bank. As one who is knowledgeable about the Greek economy, as he is supposed to be, he should have known that the postwar currency/credit policy, but even more generally the traditional way of doing things, gradually transformed industry into a financier of consumption, since they do not recognize a credit potential in commerce, every financing of which was considered "socially purposeless". This way government paternalism converted industry, that even had the necessary real securities, to a "socially desirable" sector of financing consumption with the result of overburdening industry with operating capital loans that in substance were capital re-financing loans to customers.

But as if it was not enough to commit this capital error in the economic policy of the past 25 years, for which even Mr An. Papandreou is not relieved of respon-

sibility as economic advisor of the Greek economy, political change came to punish certain "bad" industrialists who cooperated with the junta and struck at the industry itself (instead of convicting "bad" industrialists, no matter how many they may have been, as collaborators).

One tax follows the other (on "loans that have not been paid off", on the fixed assets, on the overvaluableness of real estate etc. etc.). Furthermore, the continuous acceleration in prices (inflation) caused by excessive government expenditure brought about the increase in interest rates that was imposed by the currency authorities, retroactively to the detriment of industry. This way, in order for an industrial investment to "make out" it had to provide a return of 30% (20% for taxes and 10% for the first loan payment). But even if such margins existed in industry (that do not since the mean return from capital invested in industry does not exceed 10% in the best year), again the economic policy with the continuous freezing of prices does not permit the necessary profit, not to say the general outcry against profit that was led by journalistic groups known for their speculative character that of course has nothing reprehensible, except perhaps for inconsistency. So we came to the ill-omened day of 18 Oct 81 when the Greek people voted for marxism, as if the previous "erzats" socialism was not enough! It was the coup de grace against the industry. Automatic price adjustments (that would raise the cost of labor by 5% annually), anti-labor laws (that protected the politicized labor unions and left the right to work unprotected), new taxes (on the accounting readjustments, on paper), new increases in interest rates (retroactively), new foreign exchange differences (without readjustment of export income), and new freezing of prices (without the elementary recognition of replacement costs), were imposed to the detriment of industry for the higher purpose of its extermination.

All of these would have been enough to lead the Greek industry, any industry, to bankruptcy by now and we are surprised how some industrial branches are standing on their own feet (e.g. cement, thread spinning and weaving, metallurgy etc.). Obviously there were a few "smart" business men who turned to exporting, artfully avoiding, and with the blessing of the currency authorities and the banks, the catastrophic consequences of the repeated devaluations, the continuous freezings, and inflation.

"Many industrialists have significant means of their own that may not be invested in the business" Mr A. Papandreou suspected and said. Therefore, the industrialist personally became the next target: Socialization, supervisory councils, ministerial convictions, without trial, district attorneys, interrogators and finally the persecution, foreclosure, confiscation, personal arrest. (Already a pioneer industrialist who waited in vain for 8 years to take care of his loans from the first loan institution of the country is threatened with personal arrest for public debts).

Of course since then, the increased divergence between industries and industrialists should have been expected by such an experienced economist as Mr Papandreou. Why should one assume investment risks with a return of 5%, 3% or 1% and not invest in ETVA /Hellenic Industrial Development Bank/ bonds with a tax free 21% interest that brings a "bargain" return of 33 percent annually.

This thought suffers, however, in this way: It is true only for those who have not paid wages on Saturday (already they must pay compulsorily on Fridays). Because those who have tried this painful experience would know that there is no tie that is more unbreakable than that between a business man and the business. An almost erotic relationship, that of course, just like love, is susceptible to postponements, especially when love is being persecuted wildly.

So, we have arrived to the present mess of the progressive de-industrialization of the country. Well, instead of Mr A. Papandreou criticizing others (the "self interest industrialists", the "edifices" of the country etc.), let him blame himself. Not so much for his socialist ambitions (we already said that the socialists do not tolerate a comparison with free enterprise) as much as for his least persuasive argumentation.

Of course, however, the man who thinks in the same if not worse way is addressing the ministerial council.

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CSO: 3521/53

PUBLIC WORKS MINISTER ON NATIONAL HIGHWAY PROJECTS

Athens TA NEA in Greek 14 Oct 83 p 5

[Text] Important works--most of which are highway projects--have been put up for bid, or will be soon, by the Ministry of Public Works. According to the Ministry's 13 October announcement, included among these works are:

Tender of the Patifi-Pyrgos Access segment of the Patrai-Pyrgos-Olympia national highway, budget of 350,000,000 drachmas, but with the reduction obtained during bidding, the cost will amount to 210,416,000 drachmas. A few days ago, construction of the Skhistos-Skaramangas road was put up for bid at a cost of 460,000,000 drachmas.

In addition, the following works were put up for bid recently:

1. Installation and maintenance of greenery on the Athens-Lamia national highway, budget of 4,000,000 drachmas.
2. Maintenance and improvement of Karpenision-Agrinion national highway from the 45th kilometer to the 61st kilometer, budgeted cost 20,000,000 drachmas.
3. Completion of works to restore traffic through an interchange on the Amfissa-Bralos national highway at Amblianis, budget of 12,000,000 drachmas.
4. Installation and maintenance of greenery on the Itea-Navpaktos segment, budget of 4,000,000 drachmas.
5. Installation and maintenance of greenery on the Livadeia-Arakhova and Arakhova-Delfi-Khryson segments, budget of 14,000,000 drachmas.
6. Planting and maintenance of traffic islands on Athens-Kounthos-Patrai national highway.
7. Widening of the Thivai-Livadeia national highway and construction of technical works for rainwater drainage in the city of Aliartos, budget of 25,000,000 drachmas.

In the next few days these projects will be put up for bid:

1. Widening and improvement of the old Athens-Thivai national highway in the city of Thivai (slanting column), budget of 11,000,000 drachmas. The bidding will take place on 17 October.

2. Construction of the Natsikas bridge on the Arta-Trikala national highway, budgeted cost 35,000,000 drachmas.
3. Electric lighting of Algaleon park, budget of 15,000,000 drachmas.
4. Construction of flood control projects in municipalities of P. Faleron and Alimos, budget of 33,000,000 drachmas.
5. Asphaltting of Kallithea-Karya-Larisa Nome borders provincial highway, budget for the project 140,000,000 drachmas. The project, which is being put up for bid with an international tender, includes earthworks for widening the road, improvement of the geometric sections, construction of new technical works, asphaltting and marking on a 14-kilometer length.
6. Construction of the Flamouria bridge at the 84th kilometer of the Salonica-Ikessa national highway, budget of 29,000,000 drachmas.
7. Widening of Iera Odos on the segment from Pireos road to Kifissou road, budget of 400,000,000 drachmas.
8. Construction of technical works at Armatolikos stream, Koufalas stream and Fafoutis stream on the Arta-Trikala national highway, budget of 58,000,000 drachmas.
9. Maintenance and improvement with asphaltting of the Trikala-Deskati-Elasson national highway, budgeted cost 25,000,000 drachmas.
10. Improvement on sections of the Lepoura-Karystos highway in N. Evvoia, budget of 40,000,000 drachmas.
11. Improvement on sections of Phalkis-Aidipsos highway, budget of 40,000,000 drachmas.

In addition, designing of the following projects will soon be commissioned:

1. Argos by-pass.
2. Study for improving a section of the Loutra Aidipsos-Korymbos highway.
3. Exploration for solutions, and completion of the study, for the national highway in the Tenshi area.
4. Complete study of Salaminas Avenue in Piraeus.
5. Complete study of P. Ralli street from the Third Cemetery to Salaminas Avenue.
6. Preliminary traffic study of the Kymis Avenue and Vyzantiou juncture.

The three best solutions for the last study will be rewarded with the sums of 150,000, 80,000, and 50,000 drachmas respectively.

Finally, by decision of the minister of public works, A. Tsokhatzopoulos, a total credit of 135 million drachmas has been approved for improvement of the road from Alexandroupolis to Kissarion and for additional works on the Kissarion-Kastania road, specifically renovation and asphaltting on a 2.5-kilometer length of the Didymoteikhon-Orestias section.

Renovation and asphaltting of the Kissarion-Psathades section, length of two kilometers.

Renovation and asphaltting of the Didymoteikhon-Orestias section, length of three kilometers.

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CSO: 3521/60

MAJOR ECONOMIC PROBLEMS FACE NEW GOVERNMENT

Turgay Analyzes Problems

INTERNAL SECURITY - Turkey 4 Nov 45 p 9

(Source: "Sak" column of Duzen Turgay: "Important Problems Facing the New Government")

(Text) The government that the 8 November election will bring to office will take over a problem-ridden economy. This government will, however, have to solve these problems while confronting an opposition which has decided to challenge the parliament. It already feels like saying, "May not this" is true in the new government and will start the course of the economy.

Among the strategic problems of the economy, the leader says are:

-The growth problem: In 1941 and 1942, Turkey attained growth rates of over 5 percent partly by means of its industrial capacity, partly as a result of exceptional increases in agricultural production and partially by favorable climate conditions and partly thanks to the expansion of the export market. But as these transient factors declined or were reversed, the country's growth rate dropped to around 3 percent this year. If the government is determined to maintain Turkey's growth rate at 5 percent or more in the coming years.

Other factors that may lower Turkey's rapid growth in coming years is the possibility of difficulties in the infrastructure--such as those observed today in energy and ports--and a rising trend in the inflationary rate. In other words, Turkey will need to make fundamental changes in order to attain a certain growth rate. For example, to attain a growth rate of around 5 percent it will be necessary to increase the amount of investment and savings. Savings to about 25 percent of the gross national product. The savings rate in Turkey is negligible, however, and is currently around 10 percent. If the gross national product is consequently, low, savings will be correspondingly low. To increase the savings rate, the government must encourage savings by means of various measures. It must also encourage the private sector to invest in the economy. It must also encourage the private sector to invest in the economy.

-The employment problem: Turkey has a high unemployment rate. The unemployment rate is around 20 percent. The government must take steps to reduce unemployment. It must also encourage the private sector to invest in the economy. It must also encourage the private sector to invest in the economy.

--The Foreign exchange problem: In 1964, Turkey will have to deal with a debt-payment schedule that is more onerous than in years past. And even at a time when exports are flattened out and foreign investments that would be declining. Moreover, foreign payments are being restricted by various contracting and transportation difficulties and by a continuing decline in foreign currency earnings. It is also clear that even a partial stabilization of the domestic market will have the effect of reducing exports and increasing imports. There is widespread concern about how to raise exports while trying to achieve also growth rates by revitalizing the domestic market and investments. The only short-term solution is the need to borrow foreign funds in the form of new loans or assistance, but the prospects for that do not appear to be too bright.

--The Inflation problem: Last year, in the last half of the year, the rate of inflation at over 10 percent, but some believe it may be more than 15 percent. On the one hand, businessmen are making plans to meet the domestic market shows signs of revival, and on the other, the cost index, that shows how the currency exchange rate is affecting the price of virtually any product. It appears that this problem also extends to some of the monetary measures taken and almost risking a serious confrontation with the government that controls very much in the industrial sector in Istanbul.

--The expanded imports: While rising domestic rates, including wages and a growing domestic market have helped inflation and exports, they have also meant several firms in the industrial sector in the form of bankruptcy. A return to this package of policies seems to be inevitable unless the balance of at least some of these measures is being tightened. Otherwise, millions of Turkish liras in public funds will have to be allocated to help business firms survive.

--The bank's losses: The country's banks are under the banking system in their activity, and have been operating with very little profit. Despite the fact that their assets have been growing, losses in a regulated interest rate policy. Any move to raise interest rates will be likely to increase losses and to hurt inflation will be likely to be a factor of inflation in the banking sector.

--The government's budget losses: The government's budget has been running at a loss for the last several years, and this year is expected to be no different. The government's budget is expected to be at least two billion Turkish liras a year. The fact that there is a large deficit is expected to be a major source of concern among the public and the government's budget.

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It will be seen that these losses are expected to be a major source of concern among the public and the government's budget.

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--Proprietorship of financial institutions and industrial organizations: The new government must make a decision without delay on the issue of "emergency rescue operations" which has been extensively discussed in the past year. Issues that will be subject to debate will include the Finance Ministry's decisions regarding banks which are expected to undergo changes in their partnership structures.

--New collective bargaining period and dialog with unions: The new collective bargaining system will go into effect less than two months after the new government takes office. Issues regarding wage increases and unions concern all members of the government as much as the Minister of Labor.

--Housing problem and investments: The principles of the steps to be taken toward finding urgent solutions to the housing problem and the failing aspects of the Public Housing Law will have an important place in the new government's program. Proposals to resolve problems arising from the failure of investments to reach desired levels will also be developed in the coming months.

When election results are finalized and the new prime minister and his cabinet are announced, it will be time for the preparation of the government program. The new government's approach to basic economic problems will be more clarified at that time.

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CDD: 355A/63

BUSINESSMEN URGE SETUP OF IZMIR STOCK EXCHANGE

Istanbul DUNYA in Turkish 7 Nov 83 p 5

[Report by Serap Zeybek]

[Text] Izmir--Stating that there is a large number of publicly owned companies in Turkey which issue shares to be sold in stock exchanges, businessmen and academicians urged the establishment of a securities and stock exchange in Izmir.

Businessmen and investors from Izmir noted that stock exchange transactions would greatly facilitate the filling of the growing capital shortage in the economy at minimum cost and that as citizens get used to investing their small savings which they do not need to deposit at banks in stock shares that pay dividends they will have a major beneficial effect from a perspective of sharing in the economy. Officials stated that currently stock exchanges--which match the sellers and buyers of goods and services produced in the country within the framework of certain rules and which maximize the interests of both sides within free market principles--in Turkey are established and operated only as trade boards.

Emphasizing the need for a new legal basis for the establishment of a securities and stock exchange in Izmir, Professor Hasan Olali said that the Securities and Stock Exchange Law, which was modified in 1981, is inadequate to meet current needs. In view of the increasing importance of joint stock companies, rising savings rates and the growth of the capital market. Olali continued:

"Izmir is at the center of a region which has a high revenue and savings potential. This constitutes an extensive potential market for securities issued by the government and other public companies. Meanwhile, the Aegean region has also enjoyed rapid growth in investments and the joint stock companies making these investments have generally felt the need to attract the savings of the public by issuing shares and bonds. Although both firms and banks are able to sell company stock and bonds in what is known as the primary market and are thus able to raise the long-term funds the firms need, the absence of a stock exchange, which we call the secondary market, is inhibiting the flow of funds between the firms and the public. Since the buyers of shares and bonds are unable to sell their securities in a secondary market--that is a stock exchange--whenever they want to, the public is generally reluctant to invest in stocks and bonds. This situation has created a demand for brokerage

institutions, and the recent events in the American market have had an equally even more field on this issue. The establishment of a securities exchange in Izmir where stocks and bonds can easily be bought and sold will not only increase the demand for stocks and bonds as a result of the rising level of confidence among investors and on the other hand it will make it easier for firms to raise funds to finance their investments."

Izmir Trade Board Executive Council President Hasan Yildirim stated that the factors necessary for the establishment of a securities exchange in Izmir already exist, such as the rise in domestic savings; the growing need of the public and private sectors for long-term funds; the establishment of a secure economic, social and political atmosphere which encourages investments in securities; the development of the incorporation movement and the establishment of certified accounting firms that can provide accurate information to the public. Noting that the stock exchange to be established can play an effective role in filling the savings shortfall in the public sector and in meeting said sector's financing needs, Giver said:

"The Aegean region has a large accumulation of capital. A securities exchange can play a major role in insuring that capital is accumulated in a healthy manner and is used as a sound financing means or channeling the people's savings into investments. In our opinion the most important problem in Turkey's capital market is the fact that securities exchanges, which are the most fundamental institutions of that market, have not been established and that the only existing stock exchange in Istanbul has not been operating effectively. Because a security inspires confidence among investors to the extent that it can be bought and sold at any time. The investor who cannot convert his securities into cash at some price at any time will naturally distance himself from the capital market and consequently the capital market will not succeed to develop. Moreover, Turkey needs impartial certified accounting institutions which will analyze securities from technical and economic aspects and which will advise investors about prospects and risks. This factor has not yet been given consideration is being given to setting up a stock exchange in Izmir."

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Date: 25.11/74

AEGEAN AUTOMOTIVE'S UYSAL ON PROJECTS, COMPANY'S STATUS

Intanetl 00000 in Turkish 7 Nov 83 p 2

(Interview with Aegean Automotive Industry Corporation Executive Council President Besim Uysal by Serap Zeybek)

(Text) Aegean Automotive Industry Corporation Executive Council President Besim Uysal explained his company's work in connection with the Citroen project. Below are Uysal's answers to our questions:

Question: New rumors have been circulating about your company. For example, there is a rumor that you are entering on a cooperation project with Citroen. Could you give us some information about this issue?

Uysal: Before answering your question, I find it necessary to talk about our company and our program. Because the current state of our company and the reasons for our new initiatives must be clarified.

Our company was established with the goal of realizing the largest automotive industry in Turkey and the Middle East. Of course, no automotive industry can be established on a small scale. Those who say, "We built it and we succeeded" should only thank the endless patience of the Turkish people and the bureaucrats who chart the course of the Turkish industry. If the customs barriers around Turkey were not built so skillfully, those who are boasting that they are building automobiles today would be devastated.

Our company was designed and planned for ideal conditions. By that I mean that we envisioned to manufacture products that could compete in quality and price in the international automotive marketplace and to meet our foreign exchange needs by our own exports, that is without touching the foreign exchange earned through the sale of cotton, grapes, hazelnuts and the remittances of Turkish workers abroad.

Thus, in the first phase of our plan even our domestic financial needs were filled with foreign currency sent by our overseas stockholders; that is how we completed our construction which is now worth 5 billion Turkish liras.

Our company completed all construction work 2 1/2 years ago and stands idle today. The government did not give us any assistance. On the contrary, our firm and others like us were made to pay the price of the government's policies.

They, however, are being expended were irresponsibly called out by "them" from the country who in fact were paid by the people, but public and workers' savings were not by the people who wanted to invest their savings and to improve their state of wealth did not receive even the slightest assistance from the government.

We are now trying to finance ourselves using our own resources. The Citroen project is an initiative undertaken by a firm in Istanbul. This firm has proposed to build Citroen automobiles in our completed installations which are now still at an actual auto manufacturing plant. The proposal was studied and approved. Our company will participate in this initiative with its completed installations. Our company will do its best to make this new initiative succeed. Because many of the aspects we considered as ideal conditions in our planning are contained in this project.

Question: What is the status of your installations in connection with the Citroen project which was also reported in the press?

Answer: We cannot receive such a proposal. We are individuals who have come through to build a large automotive industry. We made many sacrifices; some of them were made by the force of their money and some of us got there by their sweat. But now we are at a point where we cannot find the funds we need, because our partners have given what they can. Our stockholders can no longer provide more funds. On the other hand, we cannot even contemplate increasing our capital and interest rates to enlarge our inventory of machinery and to increase our operating capital. Consequently, we must look for new sources of funds, say, income--though we may not like all of them--foreign capital, a new enterprise in which we can be partners with our completed installations or the sale of some of our installations.

We are prepared to consider any offer as long as it is a positive proposal. Incoming proposals are first discussed by the executive council and then submitted to the stockholders. If the stockholders approve the proposal we respond affirmatively to the proposal. Because the highest decision making power is in our company is our stockholders who have contributed funds to build our installations.

Now, if we receive a proposal from those who are running the Mercedes project we will examine it within this framework. Because that would be the most reasonable path to take. We worked for 3 years to build these installations. If someone, although like us had to work for 3 years, those with much larger resources could at least reduce this time period by half. This means that there is an average of at least 1 year in building our installations. Proposals received by them who appreciate these 3 years are proposals that deserve attention.

We must not infer from what I am saying that I am courting any party. I am only expressing a realistic viewpoint within the framework of my own personal wealth and knowledge. It is none of our business to interfere in and to influence someone else's project. I hope that those who are irresponsibly calling on workers' savings and family companies with our country's limited

... can provide such important and beneficial services as ... the decay of national treasures which have been built with limited ...

Q: What is the status of Cemal Kiran's proposals for your installation?

A: We submitted the text of Cemal Kiran's proposal to our stockholders ... as to all stockholders who could not attend the assembly ... explicitly told them what we think about the proposal. Our ... were apparently were so satisfied with what we had written that they gave full authority to the executive council to pursue this issue. We have ... our part of the protocol with Cemal Kiran and we have expressed our ... in writing.

Q: After what happened with Cavusoglu-Kozanoglu, do you believe that ... will run this matter to a conclusion?

A: The Cavusoglu-Kozanoglu issue was an entirely different matter. As I ... generosity was involved in that case. We do not want to be ... Our stockholders are aware of the value of their property. What ... with Cemal Kiran is pursuing a hope. Our stockholders know the ... of success in this matter.

Q: What do you think about the research article published in our paper ... "Competition Sharpens in High-tonnage Cars in Truck Market"?

A: The article is a serious study. However, although we are not a ... we cannot share the views of certain manufacturers. Because, ... three or four firms dominating the automotive industry in Turkey are ... about nothing except how to divide up the domestic market among ... They are openly saying that they are not even contemplating exports. ... was based on exactly the opposite premise and envisioned exports ... domestic market next.

Q: The licensing agreements we have signed give us complete freedom ... In other words we are fully authorized to export our products ... want. On the other hand, all companies manufacturing cars and ... are in partnership with foreign capital. They must ask for ... from their foreign partners to export their products, and foreign ... will not grant such permission because they would not want to lose ... to us and even if they did they would first think about their own ...

A: We will not take part in this comedy. We made the licensing company from which ... growing technology accept our request for freedom to export. For ... wants to buy Murat cars from Turkey but they cannot because Fiat ... approve such a sale. If our company could go into operation the ... industry in Turkey would assume an entirely new meaning. However, ... changes in the economy and the current state of the Turkish currency ... made it impossible for us to do that.

Q: The licensing agreements we have signed are exemplary agreements ... of defending national interests and are the result of very serious

long-term efforts. Unfortunately, these agreements have not received the appreciation they deserve. While known circles in Turkey are now expecting to want more, patriotic efforts are not rewarded properly. Because these circles have magic formulas that can open any door. Unfortunately, we do not have those magic formulas. Because we are ordinary citizens. We believed that idealism would overcome such difficulties but unfortunately we were wrong. Have we been defeated? No. We will continue our struggle. Because we believe that we will succeed one day.

The truth is not the side of the coin shown by self-serving groups, but the reverse side. The truth lies on the reverse side of the coin. Turkey needs all types of quality vehicles and demand is rising steadily. But there is a great need to bridge the present large discrepancy between price and quality. As long as the automotive industry in Turkey is not completely integrated it will not be able to achieve the desired quality in its products and it will never be able to export them. Any automotive industry that cannot export its products and cannot attract funds from overseas is condemned to use "Us as basic model."

At one time there was TUMOSAN (Turkish Motor Industry and Trade Corporation). So many ridiculous plans were made. What happened? At that time we had been granted an incentive document. We were one of the first to oppose the idea of TUMOSAN. But what happened? Look at what the issue changed into and what it helped in the end.

If we had been given any assistance we would have built a complete automotive industry with the foreign exchange savings of Turkish citizens working abroad and we would have given the corporation a national character. Because from the very outset our project found 25,000 supporters working abroad and received overwhelming approval. Indeed, eventually 2,500 Turkish citizens working abroad invested in the project and sent in their contributions in foreign exchange at a time when foreign exchange was in short supply. At a time when the Turkish Lira was selling for 30 Turkish Liras on the free market per American dollar and their contributions at the official rate of 10 Turkish Liras per American dollar. The government failed to take advantage of this spirit and left a large group of patriotic citizens wishing to invest in industry to the negligence of bureaucracy and the mercy of self-serving circles.

It is against this background that we are trying to reform TUMOSAN.

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POPULATION GROWTH KEY OBSTACLE TO DEVELOPMENT

Istanbul DUNYA in Turkish 3 Nov 83 p 7

[Article by Director General of Izsal Casting Industries Ahmet Baysal: "Population Explosion **Largest Obstacle to Development**"; passages enclosed in slant-lines printed in boldface]

[Text] An interesting article, under the heading "The Biggest Obstacle to Our Development", appeared in the 1 November DUNYA. It is impossible not to agree with the views of the author.

However, I will not be able to refrain, if you will permit me, from pointing out the stumbling block of an even larger obstacle to our development than Bureaucracy.

I am of the opinion that if we were to list the obstacles to our development by order of importance, our Population Growth Rate should come first.

As long as this growth rate cannot be checked, it is impossible to bring the nation's development and the people's standard of living to a suitable level.

It is only after the growth rate is lowered and subjected to some planning that other conditions for achieving development, for instance being properly governed, can be fulfilled. And even if all other conditions were fulfilled, it is impossible to reach the desired level of prosperity for the nation without limiting the population growth. Because this is a mathematical calculation, a question of income and expenditure. I call this mathematical problem a question of "Being Able to Live With True Values."

To attain a steady development, in simpler words lowering inflation can only be achieved to the extent that we can give its true value to our living.

Our economic policy, which aims at an opening toward the outside, has to ensure the principal condition for such an opening. This condition is to set values equivalent to those of the world's free markets.

In our actual set of values, which evolved over the course of years in a market deprived of free competition and closed to the outside world, there are grave distortions. Because the weights and measures are faulty.

Let us use some examples to clarify this:

When a Turkish worker goes to Germany, he pays 800 DM (80,000 Turkish Liras) for a pocket-size room, 15 DM (1,500 Turkish Liras) for 1 kilo of the meat he eats, 1 DM (100 Turkish Liras) for the city bus he rides; and aside from those true values which are High by our own standards, when he returns home, he becomes the owner of 2 or 3 apartments with the money he has saved; because there he is also rewarded with the true value of his toil.

A European Assistant Bank Manager, who is posted to Turkey, lives in Istanbul in the most enviable seaside residence and in a house he could not afford in his own country, with a rent of 300,000 Turkish Liras, because he too is evaluated with a salary which enables him to meet this and many other kinds of expenses that are too high for us.

While a businessman who puts the equivalent of half a million Turkish Liras in foreign currency in his pocket can only live 15 days abroad with this kind of money, a European businessman who comes to Turkey with an equivalent \$2,000 in his pocket can live 45 days in our country with this money, like a king.

If Germany, Switzerland, Sweden, Austria were able to attain a stable economy, this was because everything there has found its true value.

High Costs and Low Costs are relative concepts, according to income levels. As long as our revenues are low our country which, in comparison to his own income appears to be Cheap to the European, will always remain Expensive for us. /The only condition for not having to complain about High Costs is that our revenues should reach their true value, as in the countries mentioned above./

Why are we unable to do this?

The answer to this lies in how they were able to do it. /They only succeeded, and only then, when they were able to check population growth./ Let us remember what we studied at school: when our population had not yet reached 20 millions, that of Switzerland was 5 millions and that of Germany 50 millions. Today we number 45 millions, Switzerland is still only 6 millions and Germany is 60 millions..The secret of both failure and success lies in those figures. We had to shoulder the burden of having to feed an additional population of 25 millions in 30 years, while Switzerland had only 1 million more and Germany 15 more millions.. They had increased by 20% in 30 years, we by 125%.

Our economic policy cannot dissociate its choices from those of our social policy: /We will embrace either population growth or prosperity!./ Even the strongest economies do not have the secret of achieving both at the same time. That is why I do not believe that parties which do not give a prominent place in their programs to checking population growth cannot give our Turkey economic stability.

Those who are unable to see this truth have broad ideals and make empty promises.

And this means that, once again, everything will continue to be weighed with false and deceptive measure, unrelated to true values.

COLLECTIVE HOUSING APPROACH BREAKING DOWN

System Proves Unworkable

Istanbul DUNYA in Turkish 3 Nov 83 p 8

[Article by Erkan Celebi]

[Text] It has been pointed out that the collective housing system which was established as a way to solve up to a point the housing shortage in Turkey, which increases with every passing day, and the Collective Housing Fund have reached a stage where they no longer work. It is claimed that because some of the cooperatives created for building collective housing were unable to reach the required 60% points, so as to benefit from the Collective Housing Fund, they had to leave constructions unfinished and to retire from the field. It is also said that the cooperatives and firms which were able to reach the required number of points were given only 10% of the credits authorized by the Fund, while the balance was to be had only in 10% installments.

It was also noted that in the resolution adopted in 1980, with a view to enabling cooperatives and firms to benefit from the Collective Housing Fund, it was stated that reaching the flood level was a prerequisite for buildings, and that 6 months ago the resolution was amended to ensure that buildings which had reached a 60% stage of completion could benefit from the Fund.

On the other hand, it has also been said that numerous cooperatives which began building collective housing units but which, due to budget insufficiencies, had to leave constructions halfway before they could reach the 60 points, cancelled their agreements with contracting firms.

The Inan Building Cooperative Stopped Construction

The Yalova Inan Building Cooperative, which signed an agreement with the Hayrettin Nuhaoglu Contracting firm and started the construction of a collective housing unit consisting of 70 apartments in 2 blocks, even though the foundations and basements and the first floor of one of the blocks were completed, cancelled the agreement because its funds were exhausted and left the business of collective house construction.

The owner of the contracting firm Hayrettin Nuhaoglu pointed out that they were able to complete only 25% of the Yalova Collective Housing construction project and that, even though they had spent 25 million Turkish Liras up to that point,

since they were unable to stretch their budget any further, they had cancelled their agreement with the cooperative and had been forced to stop the construction.

The Umud [Hope] Construction Cooperative Ties Its Hopes to the Social Security Organization

Huseyin Dinc, President of the Umud Construction Cooperative, founded by 25 people from the IETT [Istanbul Electric Power, Subway and Tramway Administration] personnel who came together to form the Umud Construction Cooperative in order to build the Ata Kent Complex in Umraniye, declared that although they had accumulated 37 points their limited budget had forced them to stop the construction and he stated that they had committed themselves to collective housing with high hopes but that they were unable to realize their wishes.

Cooperative President Huseyin Dinc said that at this stage they had reached 40 points and that "in order to benefit from the Collective Housing Fund we can achieve the required 60 points only through a 900,000 Turkish Liras credit which we might obtain from the Social Security Organization. If we cannot obtain this credit from the Social Security Organization, then everything is over for us. If we obtain it, we will continue building and reach 60 points and thus, with the credit we will secure from the Fund, we will be able to complete our construction."

On the other hand, Chairman of Timse Is Sami Sari drew attention to the fact that those who started building collective housing units had suffered great disillusionment and he voiced the opinion that under actual conditions the collective housing project was unworkable.

Sami Sari said that those who earned the right to benefit from the Fund by reaching 60% worth of points were able to obtain only 10% of the credits and he pointed out that the balance would be given to them in installments. Sari added that "as a result of this, even though a long period of time elapses after the completion of the housing unit, we still do not receive the totality of the credits."

Call For Major Overhaul

Istanbul MILLIYET in Turkish 3 Nov 83 p 2

[Article by Erdem Kirdar]

[Text] The wish to own a house is a person's first, most natural desire, most essential need.

The housing problem arose in our country in the 1950's, after the Second World War, as a result of the massive migration from countryside to city, triggered by the evolution of our economic and social structure, the excess manpower generated in our villages by the mechanization of agriculture, the lure of employment possibilities with the beginning of industrialization in our cities, the prospects of culture and entertainment in those cities resulting from the growth of transportation and communication facilities.

The State Statistical Institute gives the following figures:

1950

Entire Population	20,947,188 (100%)
Urban Population	5,244,137 (25%)
Rural Population	15,702,851 (75%)

1980

Entire Population	44,736,957 (100%)
Urban Population	19,645,000 (43.9%)
Rural Population	25,091,910 (56.1%)

On the basis of those figures DPT[State Planning Organization] sources give the following rate of urbanization:

From 1960 to 1965 5.2; from 1965 to 1970 5.5; from 1970 to 1975 5.5; from 1975 to 1980 4.2. The result: an average rate of 5.1.

This high rate of migration, together with a rapid population growth created the housing problem in our country and needs reached a very high level. In our nation today the housing problem has ceased to be a social or governmental one, it has become a problem of the state.

The Housing Shortage

During the initial periods of planned development, acting on the general philosophy that the building sector was a dead investment, and the perpetuation of this belief in every subsequent planning period, led the housing problem to its large magnitude. While the facts were perceived in the last few years, matters taken in hand and important efforts like Law No 2487 on Collective Housing made, the provisions of the law and efforts in that direction were not sufficient to solve the problem. And it does not appear that in the actual state of affairs and with the prevailing state of mind they will be adequate either. At present the shortage is of 1 million 700,000 housing units. To this figure another 350,000 housing units should be added yearly.

In order to solve the housing problem in our cities, stop undesirable urbanization and, at the very least, correct it so that it remains at its present level, it is necessary to stem the migration from village to city and develop rural areas from the economic, social and cultural standpoint. Developing agriculture, creating employment prospects by establishing industries related to agriculture are top priority measures.

The housing shortage can be solved by accepting the building sector as a whole and through a cooperation of the public and private sectors which should not view each other as competitors. The investments made in the housing sector during the previous period were of the order of 94% from private enterprise and 6% from the public sector. But, to obtain better results, the state must devote itself to this national cause by leading the way, lending its support and experience

to serious, institutionalized private enterprises and by adding to this the Turk's constructive energy.

The Problem of Resources

In securing national sources of support, more realistic methods corresponding to conditions in our nation should be used. The system of building credits must be reviewed within the banking system and, for those entitled to banking credits, the right to use those credits for new buildings only must be extended to existing buildings which comply with stipulations.

Cooperatives play a large and important part in solving the problem. It is necessary to encourage the formation of cooperatives, to simplify procedures. It is necessary to increase the efforts, the means and the coordination of Social Securities, Bag-Kur [Social Security Association relating to Tradesmen, Artisans and Independent Workers], the Army Mutual Aid Association and private funding, which are the cooperatives' sources of credit.

When all those problems are solved, marketing the housing units that will be built and ensuring that, under the state's widespread control and supervision, they get into the hands of those who are entitled to them and who need them, is this question's most important part. Because the buyer requires reliability and guarantees. State controlled marketing will prevent monopolization, speculation and excessive and unfair profits.

The Collective Housing Law, which is an important step for the solution of the housing problem, must be reviewed in the light of those suggestions. This law must be made more effective through citizens' savings + the added strength of enterprise + the state's stimulation and support.

The Problem of Building Sites

The elements of a national housing and building policy are: a large stock of inexpensive plots with ready infrastructures, technological assistance, ensuring financial resources and support, marketing controls.

In our Turkey there is a lack of building sites. The rage in the past for subdividing our already few building sites and putting them up for sale gave rise to hundreds of thousands of unsound, small plots.

In our cities plots of land still retain the characteristic of being the most valuable source of speculative profit. In view of this, city plots are hoarded and kept waiting with an eye to future gains. For a solution, it is necessary for public enterprises to start exploiting land on the one hand and, on the other hand, to take legislative measures to prevent hoarding. Furthermore, it is necessary to accelerate the work of the Land Survey Office, which remains inadequate despite all the good will and efforts.

Result

In our country construction technology is primitive. It is necessary to create an up to date technology, shorten building time, raise quality standards and encourage the support and control of enterprises which manufacture modern building materials, building components and machinery.

STUDY OF MAINTENANCE CRISIS IN POWER SECTOR

Istanbul DUNYA in Turkish 7 Nov 83 p 2

["Through the Events" column by Tefik Gungor: "TEK's Impasse"]

[Text] The Director General and the entire staff of TEK [Turkish Electric Power Enterprise] have recently been making major efforts to underscore the severity of Turkey's electrical energy crisis. They have pointed to the difficulties involved in just maintaining the present capacity, let alone expanding it. Last October, the TEK Director General explained to leading industrialists in Istanbul the problems afflicting electricity generation and said: "In European countries the average annual operation time of installed power plant capacity varies between 5,000 and 5,500 hours. However, these countries maintain an additional 30 percent of generating capacity in backup turbine generators and power plants in order to be able to service the main operating machines regularly and to meet demand in case of failures. In Turkey, the annual operation time of installed power plant capacity rose to 4,887 hours in 1982. Furthermore, in Turkey we have power plants on line which have been operating since 19.5 and whose normal lifetime should have ended 30 years ago. Meanwhile, in lignite-fired power plants, such as Tuncbilek, Seyitomer, Soma and Yatagan, the use of low-grade lignite is causing serious problems. The lignite used in our power plants is one of the lowest-grade lignites used in the world in terms of its ash, clay, moisture and sulfur content. The coal intake, boiler, filtration and ash disposal facilities of the power plants are in very bad shape. An installed power plant capacity utilization time of 4,887 hours annually--which is very close to European standards--is a major success for Turkey considering that we are using unserviced turbine generators with no backup, that we are burning low-grade lignite and that we are connected to a sick national grid."

A 30-percent decline in water levels in the dams this year caused an electrical energy shortfall of nearly 4.5 billion kilowatt-hours. But TEK managed to reduce scheduled power cuts to only 927 million kilowatt-hours by filling the shortfall partly with imports and partly through energy saving measures.

According to information provided by TEK Director General Kamil Toktas, in the 12-month period between September 1982 and September 1983, power output at hydroelectric plants declined by 41.3 percent while the output of the thermal power plants rose by 39.5 percent.

After we wrote on 26 October 1983 about the developments caused by the shutdown of the 150-megawatt Unit 1 at the Seyitomer thermal power plant on 15 January 1983, TEK sent us a statement explaining the various aspects of the issue. The TEK statement pointed to problems that can arise in coming days as a result of lack of maintenance at thermal power plants and the absence of backup capacity.

When Unit 1 at Seyitomer had to be shut down on 15 January 1983 as a result of substation and generator failures, it was decided to replace the broken substation. The replacement has been ordered from the firm AEG-ETI and will be delivered in February 1984. Meanwhile, an Austrian firm has been hired to repair the broken generator's stator, which could not be fixed in Turkey. Currently windings are being manufactured for the generator stator and are expected to be ready by January 1984. If all orders are delivered on time, assembly work is expected to be completed in April 1984.

As is seen, nearly 15 months are needed to repair a problem in only one unit of thermal power plants and in the meanwhile the country has to live with a substantial energy shortfall.

The Seyitomer incident underscores the need for substantial outlays for the repair and renovation of aging and unserviced power plants in addition to investments to meet the additional energy demand. If lessons are not drawn from this example we will inevitably encounter similar situations in the future.

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